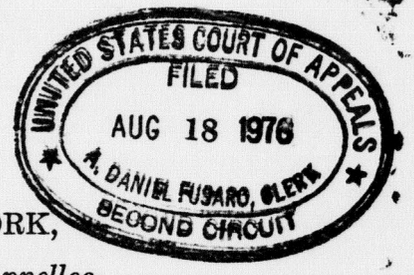
United States Court of Appeals

for the Second Circuit

JOINT APPENDIX

76-7178

United States Court of Appeals
FOR THE SECOND CIRCUIT



Docket No. 76-7178

FRANKLIN SAVINGS BANK OF NEW YORK,

Plaintiff-Appellee,

—against—

GUSTAVE L. LEVY, *et al.*,

Defendants-Appellants.

BP/S

JOINT APPENDIX

VOLUME III
Pages 1301a-1544a

SULLIVAN & CROMWELL
48 Wall Street
New York, New York 10005
(212) 952-8100
Attorneys for Defendants-Appellants

THACHER, PROFFITT & WOOD
40 Wall Street
New York, New York 10005
(212) 483-5800
Attorneys for Plaintiff-Appellee

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CERTAIN DOCUMENTARY AND OTHER EVIDENCE

A. Plaintiff's Exhibits

Certain Blue Sheets on Penn Central:

Ex. F- 1: Blue sheet of February 5, 1970 on Penn Central by Vogel.

Ex. F- 2: Blue sheet of February 5, 1970 on Penn Central by Wilson.

Ex. F- 3: Blue sheet of February 6, 1970 on Penn Central by Wilson.

Ex. F- 4: Blue sheet of February 12, 1970 on Penn Central by Wilson.

Ex. F- 5: Portion of Blue sheet of March 23, 1970 on Penn Central by Wilson.

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Ex. F-17: Blue sheet of November 10, 1969 on Penn Central by Wilson.

Ex. F-20: Blue sheet of October 22, 1969.

Ex. F-22: Blue sheet of September 3, 1969 on Penn Central by Wilson.

Exhibit F-1

PENN CENTRAL TRANSPORTATION COMPANY PHILADELPHIA, PA.

February 5, 1970

Alan Rogers of NCO called me today to express concern over the sharply reduced earnings announced in the newspapers today. He asked if we were continuing to sell the Company's notes and whether I felt that Penn Central had sufficient resources which could be converted to cash to pay down debt, if necessary. I said that Goldman, Sachs was continuing to sell the commercial paper notes of Penn Central Transportation Company. In answer to question number 2, I suggested that the Company has a number of valuable properties and securities, and that I was certain that something could be worked out should it ever become necessary.

Alan said that as a result of my comments, he would continue to carry Penn Central Transportation Company as a prime name.

JACK A. VOGEL

cc: GLL, JCH, JLW, RGW, GVC, LED, PAF

Exhibit F-2

PENN CENTRAL TRANSPORTATION COMPANY PHILADELPHIA, PENNSYLVANIA

February 5, 1970 CONFIDENTIAL

This morning's press announced that Penn Central Transportation Company had an operating loss of $56MM for the year 1969 and that the railroad was writing off its investment in equipment facilities and terminals being used for long-haul passenger service west of Harrisburg, Pennsylvania and Albany, New York. Penn Central, consolidated, showed a profit of approximately $4MM for 1969. Having talked with GLL last night and JCH this morning, I called John O'Herron, Vice President of Penn Central Transportation. He said that the write-off of $125MM in passenger equipment and facilities was really an accounting transaction and a positive move in that it revealed their strategy to get out of the passenger service business. I asked what their cash picture looked like for the first six months of this year. He said it is very tight. He said they will probably need about $200MM to meet their requirements this year. He then went on to describe how they plan to obtain this money. He is working on a $50-75MM Eurodollar loan at the holding company level, proceeds to be lent downstream. Next they plan to do $100MM 30-year bond offering in Penn Central with half of each bond having warrants to buy Penn Central's holding company stock and the other half of each bond with warrants to buy common stock in the Great Southwest Corporation. This $100MM financing will probably take 4 to 5 months before it can be offered. In the meantime they are going to talk with two or three New York banks this afternoon to arrange a $50MM standby loan for 4 or 5 months until the $100MM financing can be completed. Next John said that through another subsidiary they plan to do $100MM financing later on this year to pay down short-term loans.

I told John it was unfortunate that we did not have some indication of the magnitude of the total losses for 1969, as we are going to need a story to tell existing holders of Penn Central's paper and new purchasers of paper. I told him it was our judgment that this news will have an adverse effect on their sale of c/p and we may not be able to keep out $200MM of their notes. I said the most important thing they could do is to get another $100MM in standby lines to back up their c/p and that some of these lines should be swing lines or demand lines. He said he did not think that, with the banks as tight as they are, they could get $100MM in standby lines. I explained that a number of companies were obtaining standby lines from banks with the understanding that if they had to be used, the company would pay the Eurodollar rates. He said he would take this into consideration. I told him Goldman Sachs was going to continue to offer their paper, not only the $15,510,000 in inventory, but also the maturities as they come due. When I said our procedures in the future would probably be set up so we handle their paper only on a "tap" issue basis where Goldman Sachs did not inventory their notes, he said this was something he would have to refer to Dave Bevan, Chairman of the Finance Committee and "he and Gus Levy can talk about that."

He confirmed that the $300MM revolving credit agreement is only being used to the extent of $250MM and they have $50MM in backup lines besides the revolving credit agreement. In the past he had told us he would be willing to take us out of our position in Penn Central and put it in the revolving credit agreement if we asked. I asked if we were to request he do that on the $15,510,000 Penn Central notes we now own, would he? He said he didn't think he wanted to do that today, as the New York banks he is going to see this afternoon to set up the additional $50MM 5-month lines are the same ones he would have to contact today and he didn't feel this was very good strategy. I concurred with his reasoning. He then said he had talked with some of his banks who are in the $50MM backup lines for paper and was prepared to buy back $10MM of their notes from us Monday, February 9, to which I agreed. They have $2.9MM maturing today which

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PENN CENTRAL TRANSPORTATION COMPANY (Continued) February 5, 1970

we sold this morning along with an additional $1.1MM which we took out of inventory, reducing our position to $14,110,000. I made no commitment on the $4MM maturing tomorrow, as John will be in my office tomorrow morning and we can talk about the maturities, swing lines, new lines and their financing requirements at that time.

To summarize our position, Penn Central is on notice that we feel the earnings report will have an adverse effect on the sale of their paper and they may not be able to keep out $200MM. We have asked them to set up $100MM in new lines so that they will have 100% line coverage. They know we are going to request swing lines so we can operate on a "tap" issue basis. Penn Central Transportation has total assets of $6 1/2 billion and a net worth of about $2.9 billion. The wholly owned subsidiary, Pennco, has marketable securities (mostly stocks) with a market value on December 16, 1969 in excess of $900MM.

ROBERT G. WILSON

cc: GLL JCH JLW JCW GVC

Exhibit F-3

345

PENN CENTRAL TRANSPORTATION COMPANY — PHILADELPHIA, PA.
PENN CENTRAL COMPANY — PHILADELPHIA, PA.
February 6, 1970

GLL and I had lunch today with Dave Bevan, Executive Vice President and Chairman of the Finance Committee; John O'Herron, Financial Vice President; and Bob Loder, Treasurer. Dave Bevan did a through job of explaining 1969's $56MM operating loss in the railroad and the $125MM special write-off of certain passenger facilities as well as their plans for 1970. Dave said that the 1970 official budget, which takes into account an increase of $100MM in labor costs and an anticipated $90MM of rate increases, shows an estimated loss of $56MM for 1970. However, the management "target" for the railroad shows a loss of zero to $23MM for the railroad. Assuming there is a $56MM loss in the railroad for 1970, the Penn Central holding company will show a profit of $20MM-$25MM, up from approximately $4MM in 1969. The railroad trimmed their payroll by 4,500 people in 1969. They plan to cut another 6,000 people in 1970. A reduction in their employees by 6,000 people will mean a $60MM reduction of costs in a two-year period, $30MM of which should show up in their 1970 figures. Dave explained they all anticipated the railroad would break even in the 4th quarter. In the last week of the quarter their accountants recommended a special $6MM charge for self-insured equipment and an approximate $10MM extra charge for snow removal. Dave said that the Pennsylvania Railroad system carries 35% of all the passenger business in the United States. Dave feels the ICC and the larger states will start doing something about the mass transportation problem by granting some type of relief to the railroads providing passenger service. He pointed out that Gov. Rockefeller was going to make funds available under a temporary program to improve commuter service this year.

The railroad needs an additional $170MM for 1970. Adding in the $56MM anticipated loss, their requirements this year are $226MM. The $170MM requirement is made up of $100MM of capital improvements and $70MM for equipment. The $70MM for equipment has either been arranged for or will be under equipment trust certificates. This leaves $150MM to be financed. They plan to do a $100MM long-term financing in the Penn Central Company. This bond financing will also carry warrants to buy certain subsidiaries' stocks. The timing on doing this $100MM of Penn Central Company debt was not clear other than the fact that they were going to get started on it in the near future. In the interim they hope to set up $50MM lines which will be used to carry them over until they do the $100MM bond deal. They met with First National City Bank, Chemical, Irving and Mellon yesterday. Dave thinks the meeting went well and they will get the $50MM in lines. Later on in the year they also plan to do a second financing for $50MM-$100MM in the P. & L. E. Corporation. The proceeds will be used to buy certain assets of the railroad and this is how they will get the proceeds to the railroad without violating any covenants in the railroad's revolving credit agreement. The railroad then plans to use the proceeds to reduce the revolving credit agreement and commercial paper.

We then got into a discussion of c/p and we told them that if they didn't get the $100MM more in lines to bring them up to 100% line coverage, we thought their present level of $200MM would run down by $50MM-$100MM. We also stressed the importance of their converting the $50MM of c/p backup lines to demand lines. John O'Herron reluctantly said they already have $10MM of the $50MM on a demand basis but until "pushing comes to shoving" he really does not want to convert the other $40MM to demand lines. We said that in the future we did not feel we could inventory as much of the Penn Central as we had in the past and that Goldman Sachs felt that $5MM at any one time would be our limit. Both Dave Bevan and John O'Herron responded to our ideas by saying they did not

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feel they could get $100MM in bank lines at this time. I encouraged them to look into Eurodollar backup lines and they agreed that they would study the matter. They understand that their backup lines will be made available to cover runoffs for maturities in excess of what they don't sell plus our $5MM position. I told him about a large New York firm that has bought as much as 15% of their outstandings and which only yesterday temporarily removed their name from the approved list. We are going to try and set up an appointment for John O'Herron to visit the firm. I also explained Allen Rogers' conversation with Jack Vogel and that Allen's feeling was that as long as Goldman, Sachs was going to continue to handle Penn Central's c/p he would keep the "Prime" rating.

Dave repeatedly stated that for the first time since the Pennsylvania Railroad and the New York Central merged, he has confidence in the budgets they are working with and that they will probably achieve the results indicated. He feels the new president is a tough, non-railroad, cost conscious, cost control business man. Dave emphasized that the railroad was the only major subsidiary not contributing a profit.

Exhibit F-4

1305a

February 12, 1970

I talked with John O'Herron several times this week. On Monday they bought back from our position approximately $10MM Penn Central notes and put it in their backup lines. I told John that the large investor who had temporarily taken their name off their approved list did not wish to meet with him to review the 1969 figures as they felt it would be awkward. John O'Herron guessed that the account we were referring to was Brown Brothers and he has agreed not to make any out-of-the-ordinary reviews with them so as not to jeopardize our relationship with Brown Brothers. John told me he has heard from a number of the banks and that they have already obtained $35MM out of the $50MM increases in lines they were asking for. John asked me to get in touch with John Schaeffer regarding what I know about setting up Eurodollar lines. I talked with John this morning. I told him I felt Penn Central could arrange for $100MM of Eurodollar lines which would be a commitment for one or two years with no compensating balances but at a 1/4 to 1/2 a point standby fee. I told him it was my understanding these Eurodollar lines could be activated in 24 to 48 hours at a point to a point and a half higher than the Interbank rate. I said he should contact either First National City's or Chase's Foreign Department to assist in setting these up or deal directly with German or English banks. It is my understanding there is more availability in dealing with the foreign banks directly since the branches of U. S. banks are taking care primarily of the requirements of the U. S. banks. I am checking further with Bob Damerjian, Vice President of the J. Henry Schroder Banking Corporation, who told me he would be glad to work on setting up these lines if I revealed the name of the company and put him in touch with them.

cc: GLL JCH JCW JLW JPG GVC PAF

ROBERT G. WILSON

RGW

Exhibit F-5

PENN CENTRAL COMPANY — PHILADELPHIA, PENNSYLVANIA
PENN CENTRAL TRANSPORTATION COMPANY — PHILADELPHIA, PENNSYLVANIA
March 23, 1970

* * *

Regarding the amount of Penn Central Transportation's c/p GS&Co. was prepared to inventory at any one time, his recollection of the February 6th luncheon was that no decision had been reached and that both the $5MM and $10MM figures were still under consideration. I told him that was not my understanding and that, in fact, GS&Co. felt that a $5MM ceiling was appropriate until such time as they obtained 100% line coverage, completed some of these long-term financings, and started to reduce the operating losses.

* * *

cc: GLL JLW GVC PAF

ROBERT G. WILSON

Exhibit F-7

1307a

9/19/69

John O'Herron, Vice President-Finance, called today by appointment and visited with RGWilson, LEDrypolcher and the writer. The purpose of his visit was to outline Penn Central's short-term borrowing needs in the near future and to discuss increasing commercial paper to $200MM from the current $150MM level. John told us that the company has applied to the I.C.C. to extend the $50MM portion of commercial paper presently outstanding which had been previously authorized up to September 30 and to increase the permitted amount to $200MM. He is expecting approval shortly. The company is currently borrowing $250MM out of a total of a $300MM revolving credit and has arranged credit lines of $50MM outside of the revolver. It is his intention to use the $50MM outside lines and $50MM of the revolver as backup for the $200MM in commercial paper. RGWilson discussed the nuances of the current commercial paper market, particularly the stronger emphasis on bank line coverage in the minds of investors. He asked if it were possible for Penn Central to get an additional $50MM in lines and John said it was but he would prefer not to do so. The outside lines presently in force could be used on a demand basis which of course will add to the company's flexibility.

John said that if we were to consider the relationship of $200MM in commercial paper to a total asset structure of some $4 1/2 billion it really is a small amount. He feels that the company has receivables of $240MM which could be used to back commercial paper and has investments in various securities which could be liquidated in an emergency. Furthermore, a $40MM financing being contemplated by the Pennsylvania Company could be increased according to O'Herron. John feels that all of these factors should be considered in lieu of increasing bank lines. RGWilson said that we would for the time being not insist on such increase and would report back to him on any market resistance the Penn Central notes receive because of the 50% coverage factor.

John O'Herron came to Penn Central via Buckeye Pipeline after a time with General Electric Company. He was responsible for some $400MM in short-term funds at General Electric and appears to have an excellent grasp of the money market. He has been with the railroad some six weeks and has evidently spent a great deal of time familiarizing himself with the various financial woes and potential cures in the picture. He mentioned that if the company could increase its freight car usage rate from 8% to 13% it would mean an increase of $1 1/2 billion in revenues with a resulting very favorable impact on earnings. He also pointed out that the company has 7,000 miles of railroad track which could easily be eliminated without any effect on the revenues of the road. The sale of the track as scrap alone would produce sizable profits. John makes a good impression and is open minded and receptive to suggestions on the day by day mechanics of commercial paper. He agreed to give L.E.D. wide latitude in the handling of the account including the setting of maturities and rate flexibility. He will instruct his operating people to accept our recommendations. John also pointed out that the company will be in a very tight cash position in the first quarter of 1970 and asked if we could put out as much paper as possible in April or longer.

cc: GLL,RGW,LED,GVC,RML,PAF

JACK A. VOGEL

Exhibit F-9

1308a

December 9, 1969

Bob Loder, Assistant Vice President-Investments; Ted Verlander, Director-Corporate Financing; and Ray Lepley (recently hired from Atlantic Richfield) stopped in by appointment with L. E. Drypolcher, J. A. Vogel and the writer. The original appointment was scheduled with John O'Herron, Financial Vice President (who was called out of town), and R. G. Wilson, (who attended H. J. Sachs' funeral service). The purpose of the meeting was to discuss the overall commercial paper and bank borrowing program for the company. The company has a revolving credit of $300MM of which they owe $250MM, $50MM in straight lines of credit of which they are owing zero. Total commercial paper outstanding is $200MM which gives them 50% line coverage. There has been some question in the past as to how fast they could use the straight lines of credit which we learned today would take at least one day and we know that it takes 3 days to use the revolving credit. We suggested that they set up a minimum of $15MM in swing lines which would help in the marketing of their commercial paper. I told them that we currently hold $16MM in inventory which was the largest position in Penn Central notes that we have had. We explained that their now being at the $200MM level, a tight market and adverse publicity were all contributing factors to the large position. There is no question in our minds that all three gentlemen did not want us to carry that much paper and will go back to O'Herron with the recommendation that they set up swing lines. Bob Loder said that they could possibly convert $15MM of the $50MM which are split up in $2MM and $3MM lines. I suggested that they leave the $50MM as is and go out for an additional $15MM in blocks of $5MM or more which would also give them more turnaround room. JAVogel brought up the subject of line coverage pointing out that there are now investors that will not buy c/p unless there is 100% coverage, and that although we do not feel 100% coverage is necessary, questions are being asked in this regard. Effective immediately, the mechanics of handling commercial paper will go back to the financing department with Ray Lepley being the primary contact. It was agreed that in order to spread out maturities that we would go up one-eighth percent for 90-270 day paper. LEDrypolcher uncovered some possible lease finance business and will post PAF and DLF. It was left that Bob Loder will check with O'Herron and get back to me regarding the swing lines.

cc: RGW LED PAF JAV RML

GEORGE M. VAN CLEAVE

Exhibit F-17

PENN CENTRAL TRANSPORTATION COMPANY PHILADELPHIA, PA.

November 10, 1969

In talking with John O'Herron, Vice President, this morning about how fast we could put out the additional $50MM Penn Central paper, I told him that the recent article in the New York Times financial page quoting their counsel, Mr. Cox, to the effect that Penn Central was having a very rough time with the merger, could be very harmful to the sale of their commercial paper. I advised him that they may want to be thinking about getting another $50MM of standby lines.

ROBERT C. WILSON

RCW

cc: CLL PAF

Exhibit F-20

PENN CENTRAL COMPANY PHILADELPHIA, PENNSYLVANIA

October 22, 1969

John O'Herron, Vice President, called me to say they anticipate receiving the approval from the ICC for the additional $50MM of c/p. He went on to say the Penn Central will show a small loss in the 3rd quarter, but anticipate the 4th quarter will be "in the black" with a good improvement.

ROBERT G. WILSON

cc: GLL JLW

Exhibit F-22

PENN CENTRAL COMPANY — PENNSYLVANIA, PENNSYLVANIA

September 3, 1969

Bob Loder called me to say they are going to ask the ICC for permission to extend to December 31, 1970, $50MM in bank lines which are used as the backup for c/p. The present authorization expires at the end of September, 1969. Currently they have a $300MM revolving credit agreement, of which they are using $225MM. They have agreed to keep $50MM of that revolving credit agreement unused to support c/p. At the present time this means there is $125MM of unused bank financing available to cover the $150MM outstanding c/p. I encouraged them to obtain the new ICC authorization. Bob then asked me if they could bring their c/p up to $200MM. I explained they would need to increase their ICC authroization from $50MM to $100MM and he said they wanted to talk with us before asking for that authorization. Before committing to the desirability of increasing their c/p from $150MM to $200MM, I said it had been a long time since we had gotten together to talk about Penn Central. As it turned out, he and Dave Bevan were in New York this week to talk with their banks and he appreciated my point that they should come and see us also. We set up a date for Friday, September 12 at 10:30 for Bob Loder, Assistant Vice President; John H. Schaffer, Treasurer; and John O'Herron, formerly with their subsidiary Buckeye Pipe Line, who is the new Vice President of Finance taking Bill Gerstnecker's spot. We have a lot of questions to ask about the merger, cash flow, and their long-term financing plans.

cc: GLL JCH JLW PAF

P L Wilson

Ex. F-32: "Commercial Paper: An Attractive Short Term Investment."

Commercial Paper

An Attractive Short-Term Investment

GOLDMAN, SACHS & CO.

ESTABLISHED 1869

Providing comprehensive investment banking services to industry and investors

GOLDMAN, SACHS & CO.
Commercial Paper Department

New York, N. Y. 10004
55 Broad Street
212 676-8000

Boston, Mass. 02110
75 Federal Street
617 LIberty 2-5430

Chicago, Ill. 60603
135 South LaSalle Street
312 FInancial 6-3800

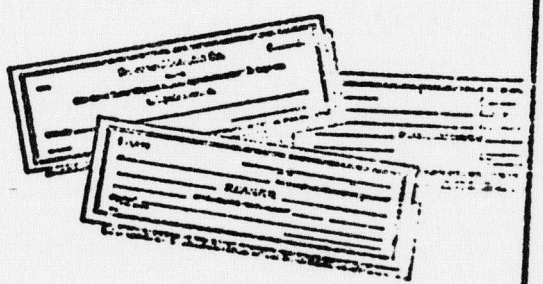
Los Angeles, Calif. 90014
600 South Spring Street
213 MAdison 4-8541

St. Louis, Mo. 63102
314 North Broadway
314 CHesnut 1-9070

San Francisco, Calif. 94104
555 California Street
415 391-4344

Goldman, Sachs & Co. was established in 1869 as a Commercial Paper house and today is the most active dealer in this increasingly important segment of the growing short-term money market. Our firm contributes to the overall financing needs of business by purchasing the short-term notes of outstanding companies and offering the notes for resale to a wide variety of investors. Commercial Paper is considered to be an attractive short-term investment by a broad spectrum of investors who have funds available for periods of from a few days to nine months.

This booklet is intended to give a brief resumé of Commercial Paper. The mechanics of purchasing Commercial Paper are simple and we would be happy to discuss them with you at any time.



The Commercial Paper Market

Commercial Paper constitutes an important segment of the money market as a result of its outstanding record of safety over many years, coupled with its liquidity, flexibility, and a yield historically higher than that of Treasury Bills and other comparable short-term securities.

The Commercial Paper market consists of the unsecured short-term notes of substantially capitalized and financially sound corporations, industrial, utility and finance, which are sold to investors. This type of financing has been in existence since about 1800 and has experienced a period of rapid growth in recent years. Total outstandings have risen from the hundreds of millions of dollars immediately after World War II to over twenty-billion dollars recently.

Corporations which issue Commercial Paper must meet certain financial standards in order to qualify for the sale of their notes in the open market. At the present time, about 500 major corporations issue paper. A list of some of our borrowing clients is enclosed.

Goldman, Sachs & Co. is the most important Commercial Paper dealer offering the notes of approximately 250 prominent companies located throughout the country. Our organization maintains a large sales staff with offices in New York, Chicago, Boston, St. Louis, and Los Angeles, and is prepared to offer investment advice to any prospective short-term investors.

In the past, Commercial Paper was held primarily by banks and trust companies largely because it was an acceptable secondary reserve, and banks continue to represent a significant segment of the market. In recent years, however, many other investors have become aware of the attractiveness of Commercial Paper as a short-term investment and are using this market in increasing proportions. Numbered among today's Commercial Paper investors are leading industrial corporations, public utilities, educational institutions, trust funds, public funds, charities, hospitals, as well as banks, insurance companies, investment trusts, mutual funds, and other financial institutions.

The Advantages of Commercial Paper as an Investment

The experienced investor is aware that many short-term investments are available to him and that his choice of investment must fit the particular needs of his organization. Such investments offer varying degrees of income return, safety, liquidity, flexibility, and diversification. We feel that Commercial Paper has the broadest possible combination of the advantages sought by the investor for his short-term portfolio.

The income return on Commercial Paper is almost always higher than the return on comparable short-term investments such as United States Government securities. Moreover, Commercial Paper has earned an enviable record for safety which is evidenced by the use of paper by commercial banks as a secondary reserve. The corporate titles of many issuers are household words. The soundness of Commercial Paper holdings has been amply demonstrated during all periods of stress. In many cases, investments through the purchase of Commercial Paper have led to other opportunities for doing business with these companies.

One of the important features of this form of investment is its great flexibility. The investor

chooses the delivery and maturity dates to suit his particular needs. He may arrange staggered maturities so that fixed amounts come due at regular intervals and he may concentrate maturities at times when he expects to have need for cash. Such needs may include provisions for taxes, dividend payments, seasonal disbursements, and any other anticipated future requirements. Additional flexibility and liquidity for unexpected corporate needs may often be obtained, if necessary, by the purchase of paper issued by certain finance companies which normally will arrange informal repurchase understandings with investors.

Diversification is another advantage of Commercial Paper. An investor may select the type of industry or company which he knows best or in which, for any other reason, he wishes to invest. A broadly diversified inventory is maintained by Goldman, Sachs & Co. which provides investors with a wide selection of notes.

Some Facts Concerning Commercial Paper

Commercial Paper is obtainable in amounts to suit the needs of the investor up to $10,000,000 or more. The notes are negotiable instruments usually sold on a discount basis, like Treasury Bills. If, for example, $1,000,000 six-month paper is purchased at a 5½% rate, the cost would be $972,500 and the note would be payable at maturity at the face value of $1,000,000. This discount feature adds to the effective yield as compared with interest-bearing securities. For example, the above transaction would show a "true equivalent annual yield" of 5.82%. Some special-order sales are made with a comparable yield on an interest-to-follow basis where the investor buys the note for the face amount and receives the face plus interest at maturity. At maturity, Commercial Paper is presented for collection at the payee bank.

Notes of finance companies may be purchased with the exact maturity date desired from a few days to 270 days. Industrial paper is usually available with varying maturities from about 30 days to six months.

Delivery of Commercial Paper notes may be made, against payment in Federal Funds, through any money-center bank or financial institution for the investor's account. Occasionally, on request, notes are held in custody for the investor by Goldman, Sachs & Co. and then are presented at maturity for payment with proceeds remitted to the investor. The notes are generally payable at a New York City or Chicago bank. An investor may have any bank where he carries his account make collection for him and credit his account.

Goldman, Sachs & Co. provides financial statements and supplementary data on companies issuing notes to the investor. Information may also be obtained from other sources such as the investor's depository banks and credit and statistical agencies.

Please contact us if you would like to receive additional information concerning Commercial Paper investments and the market in short-term securities.

Ex. F-55: Printout of commercial paper inventory, showing total inventory of Penn Central and random issuers from August 1, 1968 through June 22, 1970.

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COMMERCIAL PAPER INVENTORY
FROM 8/1/68 TO 6/22/70 - * 000,S OMITTED *

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.M.C. M
8/01/68	234,325	20,700	6,700	-0-	1,350	6,500	19,450	11,000	-0-	400
8/02/68	209,775	8,900	3,100	-0-	4,000	4,000	16,450	10,500	-0-	500
8/05/68	230,875	3,900	3,150	-0-	1,250	4,000	16,450	10,500	-0-	500
8/06/68	223,025	6,300	850	-0-	1,950	13,250	6,900	-0-	7,750	2,600
8/07/68	218,050	2,300	9,050	-0-	6,800	8,450	5,750	-0-	-0-	3,900
8/08/68	226,200	2,300	12,500	-0-	3,300	8,700	11,000	-0-	5,250	3,900
8/09/68	242,650	2,300	8,500	-0-	4,100	6,500	7,650	1,800	4,250	3,900
8/12/68	240,400	1,000	11,550	-0-	2,900	1,650	6,850	250	-0-	5,800
8/13/68	237,600	-0-	10,800	-0-	7,450	500	750	-0-	-0-	5,300
8/14/68	229,300	-0-	8,650	-0-	5,550	4,000	-0-	3,500	-0-	8,800
8/15/68	197,600	-0-	9,550	-0-	5,200	-0-	5,500	-0-	-0-	1,900
8/16/68	191,600	-0-	9,100	-0-	8,300	1,500	3,250	-0-	-0-	3,650
8/19/68	194,825	-0-	8,300	-0-	5,350	500	5,500	-0-	-0-	2,050
8/20/68	188,400	-0-	6,250	-0-	6,650	1,500	600	-0-	-0-	2,450
8/21/68	214,475	-0-	4,250	-0-	5,850	12,600	-0-	-0-	-0-	4,850
8/22/68	196,625	4,900	3,750	-0-	5,750	10,800	-0-	-0-	-0-	3,700
8/23/68	201,675	500	3,650	-0-	600	100	5,000	-0-	3,000	1,500
8/26/68	214,675	-0-	3,300	-0-	1,550	100	5,500	3,000	-0-	1,350
8/27/68	218,075	-0-	3,200	-0-	500	100	2,000	-0-	-0-	1,350
8/28/68	257,200	5,000	3,200	-0-	700	3,850	15,000	3,500	4,000	3,050
8/29/68	264,200	9,250	3,200	-0-	2,100	9,000	14,300	4,000	4,000	5,050
8/30/68	205,350	8,800	2,850	-0-	700	6,000	16,500	1,200	-0-	100
9/03/68	260,450	4,850	6,850	-0-	3,550	5,000	24,250	14,200	1,000	2,700
9/04/68	258,200	2,350	7,150	-0-	5,150	9,250	19,350	16,850	-0-	4,850
9/05/68	256,750	8,250	7,850	-0-	5,700	4,750	14,750	20,050	1,000	4,150
9/06/68	244,050	7,250	12,350	-0-	5,550	4,250	14,350	25,950	1,000	4,050

COMMERCIAL PAPER INVENTORY
FROM 8/1/68 TO 6/22/70 - * 000,S OMITTED *

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.M.C. M

13160

9/09/68	240,425	7,150	8,350	-0-	5,200	1,000	9,400	15,700	1,000	4,550
9/10/68	242,525	11,800	9,350	-0-	5,650	5,300	13,100	10,700	1,000	7,850
9/11/68	244,075	11,800	13,100	-0-	2,900	3,300	9,400	9,400	-0-	5,250
9/12/68	248,875	10,200	12,350	-0-	4,550	2,700	10,400	7,500	-0-	5,350
9/13/68	231,475	10,100	12,600	-0-	4,900	2,000	5,500	1,950	-0-	4,850
9/16/68	277,175	8,300	9,600	-0-	3,400	6,900	9,800	9,700	-0-	6,450
9/17/68	230,275	10,300	8,500	-0-	3,150	3,900	7,500	1,900	-0-	6,450
9/18/68	227,425	12,050	12,600	-0-	2,900	14,500	6,400	3,600	-0-	6,450
9/19/68	240,175	13,050	11,200	-0-	1,800	12,600	8,100	3,100	-0-	4,950
9/20/68	244,425	9,750	9,200	-0-	950	6,450	3,600	6,700	-0-	5,650
9/23/68	213,225	10,800	7,700	-0-	3,350	11,650	300	3,900	-0-	5,150
9/24/68	219,825	12,300	6,200	-0-	2,850	4,000	2,500	-0-	-0-	4,450
9/25/68	231,425	12,000	3,900	-0-	4,500	1,050	6,700	-0-	-0-	6,300
9/26/68	205,875	10,750	5,150	-0-	6,900	950	200	-0-	-0-	3,900
9/27/68	212,150	10,350	3,550	-0-	8,900	1,250	200	-0-	-0-	3,300
9/30/68	236,900	8,650	4,150	-0-	2,750	250	10,100	6,300	3,000	3,030
10/01/68	242,325	9,650	7,150	-0-	3,600	250	16,000	8,500	3,000	2,850
10/02/68	243,975	11,050	7,150	-0-	3,600	250	16,500	10,600	2,500	2,750
10/03/68	243,825	9,950	12,750	-0-	2,000	2,250	5,600	5,000	2,100	4,150
10/04/68	231,275	9,950	10,700	-0-	1,800	1,350	5,100	5,200	2,100	9,150
10/07/68	246,775	9,450	8,850	-0-	3,300	6,850	8,000	5,800	600	8,750
10/08/68	248,425	8,350	6,650	-0-	1,800	6,750	7,900	200	-0-	7,050
10/09/68	251,925	7,850	4,950	-0-	1,550	11,750	11,900	200	-0-	6,750
10/10/68	272,425	12,300	6,000	-0-	950	10,200	3,050	8,000	-0-	7,300
10/11/68	248,475	11,600	8,950	-0-	2,450	2,050	1,500	5,000	-0-	5,100
10/14/68	241,005	14,900	14,750	-0-	2,150	2,450	3,500	1,250	-0-	4,900
10/15/68	236,755	11,900	13,750	-0-	1,950	8,500	3,500	1,250	-0-	6,400
10/16/68	240,480	10,700	15,850	-0-	4,350	2,500	8,000	750	-0-	7,700
10/17/68	211,680	10,600	18,250	-0-	2,250	900	-0-	250	-0-	7,400
10/18/68	182,030	9,350	12,150	-0-	2,250	700	-0-	1,150	-0-	9,450
10/21/68	191,680	7,300	11,800	-0-	1,900	400	-0-	750	-0-	7,150
10/22/68	158,380	6,600	9,150	-0-	2,650	-0-	-0-	250	-0-	6,750
10/23/68	145,950	5,600	9,400	-0-	1,750	1,000	-0-	2,250	-0-	6,650

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10/24/68	164,650	9,100	8,600	-0-	1,300	7,700	-0-	3,100	-0-	4,650
10/25/68	148,625	8,300	7,400	-0-	2,800	5,400	-0-	2,100	-0-	4,600
10/28/68	166,200	3,900	7,300	-0-	1,300	12,300	5,000	900	-0-	5,750
10/29/68	174,885	3,900	6,900	-0-	1,200	7,900	-0-	600	-0-	4,550
10/30/68	190,985	3,800	6,150	-0-	2,200	9,500	-0-	100	-0-	4,950
10/31/68	189,935	2,500	8,500	-0-	2,200	4,900	4,900	2,000	-0-	6,950
11/01/68	156,450	2,000	10,050	-0-	2,000	5,600	2,300	2,000	-0-	6,700
11/04/68	173,750	900	9,400	-0-	1,900	2,700	500	2,000	-0-	8,100
11/06/68	202,150	500	6,900	-0-	1,100	2,200	4,100	5,000	-0-	6,300
11/07/68	207,000	500	6,300	-0-	2,300	1,500	8,100	100	-0-	5,400
11/08/68	175,050	600	4,200	-0-	2,300	9,500	5,600	3,000	-0-	6,500
11/12/68	216,850	-0-	3,800	-0-	3,700	16,400	9,100	500	-0-	5,000
11/13/68	214,375	400	3,800	-0-	3,500	5,000	5,200	1,550	-0-	7,000
11/14/68	169,025	200	2,700	-0-	3,000	-0-	100	100	-0-	3,450
11/15/68	189,225	-0-	3,700	-0-	2,900	8,000	2,500	-0-	-0-	3,450
11/18/68	190,575	4,000	2,400	-0-	2,800	9,850	5,750	-0-	-0-	2,450
11/19/68	197,575	3,600	2,400	-0-	5,300	9,050	250	-0-	-0-	2,100
11/20/68	228,325	3,250	7,150	-0-	4,000	9,950	7,500	-0-	-0-	4,100
11/21/68	215,625	7,250	8,525	-0-	2,300	8,800	-0-	-0-	5,000	4,100
11/22/68	177,000	7,000	7,450	-0-	2,200	7,800	-0-	-0-	5,000	3,850
11/25/68	208,900	7,850	7,250	-0-	800	15,700	-0-	-0-	4,500	6,250
11/26/68	235,450	7,600	7,250	-0-	2,450	1,000	-0-	-0-	4,500	4,250
11/27/68	237,890	7,500	6,750	-0-	1,350	7,500	3,000	400	1,500	6,750
11/29/68	221,240	5,500	6,750	-0-	1,150	3,000	9,000	3,600	1,500	6,450
12/02/68	265,490	3,250	13,750	-0-	4,650	6,500	12,200	2,500	1,100	6,350
12/03/68	232,440	1,250	7,750	-0-	1,250	10,800	2,200	200	1,100	3,050
12/04/68	247,990	1,150	9,950	-0-	1,250	10,450	-0-	-0-	5,400	2,950
12/05/68	234,040	1,500	12,950	-0-	1,250	10,500	-0-	-0-	800	1,850
12/06/68	221,100	1,400	10,650	-0-	750	8,700	-0-	-0-	600	1,750
12/09/68	251,950	4,300	10,050	-0-	650	13,600	4,500	-0-	500	1,350

COMMERCIAL PAPER INVENTORY
FROM 8/1/68 TO 6/22/70 - * 000,S OMITTED *

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.M.C.M.

12/11/68	244,450	9,000	7,250	-0-	450	15,750	7,000	-0-	-0-	1,050
12/12/68	237,850	8,500	8,500	-0-	450	9,500	16,300	-0-	-0-	350
12/13/68	231,500	7,300	8,850	-0-	450	6,000	17,800	-0-	-0-	350
12/16/68	245,350	6,300	11,650	-0-	450	1,500	23,400	4,000	-0-	350
12/17/68	207,300	2,500	6,650	-0-	250	-0-	4,800	-0-	-0-	350
12/18/68	243,800	1,400	3,650	-0-	250	-0-	17,300	2,000	-0-	350
12/19/68	275,400	1,600	6,650	-0-	250	750	21,300	2,750	-0-	350
12/20/68	272,700	1,600	4,250	-0-	250	-0-	17,400	2,750	-0-	350
12/23/68	222,250	600	3,500	-0-	250	-0-	5,800	-0-	-0-	350
12/24/68	203,250	600	3,100	-0-	250	-0-	7,700	-0-	-0-	350
12/26/68	211,700	1,500	2,700	-0-	250	-0-	7,100	7,050	-0-	250
12/27/68	224,650	1,500	2,700	-0-	250	-0-	6,500	3,350	-0-	250
12/30/68	172,950	400	1,600	-0-	250	-0-	1,600	450	-0-	500
12/31/68	129,600	1,200	1,400	-0-	250	-0-	100	1,450	-0-	100
1/02/69	114,850	300	950	-0-	250	-0-	100	200	-0-	1,000
1/03/69	80,300	-0-	1,950	-0-	-0-	-0-	-0-	200	-0-	200
1/06/69	118,150	2,800	850	-0-	-0-	-0-	4,000	4,000	-0-	100
1/07/69	117,950	-0-	3,250	-0-	-0-	-0-	100	-0-	-0-	100
1/08/69	68,350	-0-	50	-0-	-0-	250	-0-	300	-0-	-0-
1/09/69	77,050	500	-0-	-0-	-0-	2,400	-0-	-0-	-0-	-0-
1/10/69	122,850	-0-	-0-	-0-	-0-	23,900	-0-	-0-	-0-	-0-
1/13/69	142,800	-0-	4,500	-0-	2,000	16,350	2,000	-0-	-0-	1,600
1/14/69	122,600	-0-	4,500	-0-	100	7,450	400	-0-	4,000	1,500
1/15/69	128,850	4,600	4,600	-0-	2,100	3,000	-0-	-0-	4,000	2,500
1/16/69	144,200	4,200	4,600	-0-	600	3,000	-0-	-0-	3,600	2,500
1/17/69	150,600	1,700	4,900	-0-	600	2,000	-0-	-0-	2,100	1,700
1/20/69	145,000	1,100	2,100	-0-	600	500	-0-	-0-	5,100	1,500
1/21/69	125,425	1,100	4,000	-0-	2,500	-0-	-0-	-0-	100	1,500
1/22/69	132,400	1,000	2,200	-0-	3,000	-0-	2,600	200	-0-	500
1/23/69	102,325	1,100	2,900	-0-	1,200	-0-	-0-	-0-	-0-	500
1/24/69	122,325	1,100	1,900	-0-	2,500	1,500	-0-	-0-	2,000	400
1/27/69	143,275	7,000	1,400	-0-	2,500	500	2,150	-0-	2,000	2,300

1/29/69	144,350	4,100	1,300	-0-	4,400	-0-	50	-0-	800	1,800
1/30/69	140,750	6,350	1,300	-0-	4,400	1,550	150	-0-	400	3,300
1/31/69	177,150	5,450	1,000	-0-	600	-0-	-0-	1,200	4,700	3,200
2/03/69	207,600	7,250	400	-0-	600	1,050	4,800	3,950	3,700	3,200
2/04/69	191,300	8,450	300	-0-	1,850	-0-	350	100	400	5,700
2/05/69	234,550	10,350	3,600	-0-	1,950	6,000	6,250	100	400	4,400
2/06/69	210,550	5,850	3,800	-0-	2,600	1,250	100	-0-	400	4,400
2/07/69	174,050	3,900	7,300	-0-	1,600	-0-	-0-	-0-	300	2,800
2/11/69	198,250	3,200	6,000	-0-	2,300	800	6,000	-0-	100	5,600
2/12/69	211,350	3,200	5,900	-0-	2,300	3,500	5,500	-0-	100	4,800
2/13/69	213,000	1,600	7,700	-0-	2,000	1,400	-0-	-0-	100	7,000
2/14/69	195,025	1,500	7,100	-0-	2,750	1,600	500	-0-	-0-	7,500
2/17/69	246,000	1,600	13,600	-0-	3,500	3,700	8,000	-0-	5,000	9,200
2/18/69	222,800	1,900	15,200	-0-	3,500	3,300	2,700	-0-	4,800	9,750
2/19/69	226,850	1,900	16,900	-0-	3,250	3,600	-0-	-0-	2,100	8,450
2/20/69	220,325	1,600	15,000	-0-	5,150	8,150	-0-	300	2,000	8,950
2/21/69	206,850	850	7,900	-0-	4,150	7,100	-0-	200	1,500	8,950
2/24/69	179,700	350	8,800	-0-	2,250	3,450	-0-	-0-	1,500	9,200
2/25/69	177,050	250	7,900	-0-	4,250	2,550	-0-	-0-	6,500	6,700
2/26/69	181,100	-0-	7,700	-0-	2,750	1,600	-0-	-0-	6,500	6,100
2/27/69	179,250	-0-	6,600	-0-	2,750	350	-0-	2,000	5,850	5,700
2/28/69	174,050	950	5,500	-0-	3,050	100	-0-	1,300	5,650	5,900
3/03/69	199,450	2,250	7,900	-0-	3,250	300	1,000	3,100	9,700	7,100
3/04/69	193,650	2,650	7,400	-0-	5,250	450	-0-	800	8,300	6,400
3/05/69	206,650	6,050	7,850	-0-	6,250	3,550	-0-	800	7,450	5,850
3/06/69	222,900	5,650	8,550	-0-	5,000	1,300	-0-	600	5,450	6,850
3/07/69	209,450	7,250	7,900	-0-	4,750	5,950	-0-	-0-	5,350	6,250
3/10/69	230,475	6,075	7,200	-0-	4,750	3,850	-0-	1,500	4,350	9,150
3/11/69	214,625	5,475	4,950	-0-	4,250	3,850	-0-	-0-	2,600	7,150
3/12/69	214,725	3,575	5,600	-0-	3,700	2,600	2,000	-0-	2,600	5,200

COMMERCIAL PAPER INVENTORY
FROM 8/1/68 TO 6/22/70 - * 000,S OMITTED *

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.P.C.M.

3/13/69	199,975	3,575	5,300	-0-	5,300	1,500	-0-	-0-	2,500	5,200
3/14/69	191,025	5,075	4,800	-0-	4,800	1,700	-0-	-0-	2,500	4,900
3/17/69	177,125	2,275	6,800	-0-	3,800	750	-0-	500	2,500	4,400
3/18/69	131,975	1,975	6,100	-0-	4,800	750	-0-	-0-	2,000	1,300
3/19/69	139,125	575	4,000	12,400	1,800	-0-	-0-	-0-	1,750	1,300
3/20/69	130,750	3,800	4,000	7,650	1,200	-0-	-0-	-0-	1,750	1,300
3/21/69	146,850	17,000	4,000	8,700	1,800	5,700	-0-	-0-	1,750	1,300
3/24/69	156,650	16,400	1,250	7,300	1,500	3,300	-0-	2,500	1,250	1,300
3/25/69	153,300	19,400	1,250	9,900	4,500	8,300	1,000	6,200	1,250	1,000
3/26/69	209,900	15,200	750	10,050	4,200	8,600	1,000	7,600	1,250	1,000
3/27/69	224,550	12,700	500	8,500	3,450	3,100	1,000	7,200	1,250	2,900
3/28/69	192,650	12,700	1,500	13,300	3,250	1,500	-0-	4,600	750	2,800
3/31/69	224,700	12,700	1,400	15,700	4,750	1,100	-0-	3,500	750	5,100
4/01/69	234,000	5,400	4,900	15,300	4,950	500	-0-	1,000	500	7,000
4/02/69	224,050	5,400	4,800	17,150	2,950	2,500	-0-	1,000	500	6,200
4/03/69	236,050	8,700	5,200	16,150	3,700	2,000	-0-	1,050	500	9,000
4/04/69	230,350	8,900	5,200	15,950	4,250	4,200	5,500	8,450	500	5,200
4/07/69	198,550	11,550	2,100	16,150	1,000	100	-0-	2,000	500	3,600
4/08/69	187,200	8,300	900	20,250	2,250	350	-0-	500	500	3,600
4/09/69	181,900	4,700	400	20,050	250	200	-0-	-0-	500	3,100
4/10/69	176,000	4,050	200	21,450	1,000	-0-	-0-	-0-	500	5,200
4/11/69	178,470	4,000	100	28,750	-0-	-0-	-0-	-0-	500	4,900
4/14/69	208,820	3,500	2,100	27,850	-0-	500	500	-0-	500	4,500
4/15/69	212,025	4,400	100	26,150	-0-	6,700	3,750	-0-	3,500	3,200
4/16/69	204,690	3,400	100	34,855	-0-	3,500	-0-	-0-	2,900	5,600
4/17/69	222,275	500	3,900	24,400	1,000	10,250	1,200	-0-	2,800	7,250
4/18/69	226,875	4,950	1,800	28,300	1,000	6,650	1,700	-0-	2,500	6,850
4/21/69	247,625	5,050	500	27,800	1,000	9,700	6,750	-0-	2,600	6,250
4/22/69	234,325	3,850	-0-	27,000	1,000	6,550	600	-0-	2,600	5,900
4/23/69	157,400	1,000	-0-	26,400	-0-	5,050	500	-0-	2,500	5,800
4/24/69	210,450	3,700	-0-	24,450	-0-	2,200	-0-	-0-	2,500	7,100
4/25/69	207,300	3,000	-0-	24,050	-0-	2,900	-0-	-0-	2,500	6,800
4/28/69	213,400	3,700	-0-	23,350	-0-	-0-	3,000	1,000	1,500	6,500

1371 a

4/29/69 *	208,850	2,200	-0-	23,850	-0-	-0-	3,000	5,700	500	5,500
4/30/69	239,050	7,100	4,100	21,750	-0-	2,000	8,500	7,700	500	5,500
5/01/69	241,950	8,900	4,450	20,750	-0-	-0-	3,300	5,400	500	7,500
5/02/69	245,000	5,600	8,350	19,750	-0-	10,200	3,600	4,200	500	7,500
5/05/69	247,950	9,200	7,950	22,350	-0-	8,500	3,200	3,000	500	6,900
5/06/69	248,450	8,700	9,450	21,950	-0-	17,600	500	3,000	500	3,800
5/07/69	232,100	9,200	8,750	21,450	1,500	18,900	500	1,500	3,000	3,500
5/08/69	224,550	9,700	5,650	23,250	1,500	2,300	500	1,500	500	3,500
5/09/69	184,125	8,075	7,450	20,250	1,500	500	500	500	500	2,500
5/12/69	200,875	7,775	6,250	27,550	1,500	500	500	500	-0-	2,500
5/13/69	167,825	7,025	5,650	27,550	1,250	1,000	-0-	-0-	-0-	2,500
5/14/69	130,650	9,750	2,700	26,050	250	200	-0-	-0-	-0-	2,400
5/15/69	184,275	13,950	10,900	26,050	3,250	-0-	-0-	-0-	-0-	4,100
5/16/69	164,300	14,650	4,700	25,250	2,600	4,600	-0-	-0-	4,000	3,000
5/19/69	173,050	14,500	4,400	25,250	2,600	7,050	-0-	-0-	3,500	3,800
5/20/69	170,100	13,500	8,600	25,150	2,250	6,550	-0-	-0-	3,600	600
5/21/69	174,950	15,600	7,150	25,050	2,250	9,450	-0-	-0-	2,500	800
5/22/69	172,700	13,300	5,550	24,700	2,250	7,250	-0-	-0-	2,500	2,200
5/23/69	159,950	12,100	4,000	22,600	2,250	1,500	-0-	-0-	2,000	800
5/26/69	150,200	13,400	6,450	20,600	1,250	-0-	-0-	5,000	2,000	800
5/27/69	151,200	14,400	7,400	19,800	1,250	-0-	-0-	1,800	1,500	600
5/28/69	165,000	12,500	7,300	19,800	2,000	5,500	-0-	1,300	1,500	2,600
5/29/69	161,950	13,675	7,900	18,800	750	5,300	-0-	-0-	1,500	2,500
6/02/69	160,125	13,950	11,600	18,500	750	1,500	-0-	-0-	2,500	1,800
6/03/69	165,725	12,800	5,000	18,500	500	2,500	3,500	3,000	1,500	1,800
6/04/69	172,950	11,450	4,000	16,500	250	2,500	1,500	1,500	1,500	1,200
6/05/69	161,050	2,750	5,650	15,500	250	600	-0-	-0-	500	4,100
6/06/69	167,180	2,750	1,200	15,500	250	1,900	-0-	-0-	500	3,800
6/09/69	154,980	2,000	2,200	15,000	250	4,900	5,600	-0-	500	5,000
6/10/69	191,250	6,850	2,500	12,500	2,250	6,300	5,000	-0-	500	4,600
6/11/69	175,180	6,950	2,500	13,000	250	4,850	2,000	-0-	500	4,600

6/12/69	214,050	7,500	8,950	10,500	2,250	6,000	8,100	1,000	500	6,600
6/13/69	201,900	7,200	7,850	10,500	2,250	5,500	2,500	-0-	500	5,400
6/16/69	209,350	6,700	11,000	10,500	3,650	4,500	-0-	-0-	3,200	5,150
6/17/69	190,350	6,000	12,400	10,500	3,400	3,500	-0-	-0-	1,000	3,250
6/18/69	180,900	5,500	13,200	-0-	3,400	3,500	-0-	-0-	500	3,000
6/19/69	210,650	5,500	16,900	10,500	2,900	4,900	-0-	-0-	-0-	3,000
6/20/69	201,950	5,600	15,600	10,500	2,900	3,600	-0-	-0-	-0-	3,000
6/23/69	186,650	4,850	9,500	7,500	2,650	500	-0-	-0-	-0-	3,900
6/24/69	173,500	2,000	9,000	6,600	2,650	-0-	-0-	850	-0-	2,800
6/25/69	198,500	2,600	7,000	6,600	2,650	1,700	-0-	600	4,000	2,500
6/26/69	221,700	8,800	5,000	6,500	2,650	3,000	-0-	600	1,900	4,200
6/27/69	207,350	6,700	4,000	6,500	2,250	1,500	-0-	600	1,900	4,200
6/30/69	210,200	7,700	4,000	6,500	3,500	1,500	-0-	1,000	1,900	6,200
7/01/69	193,300	7,400	2,500	6,500	4,250	500	-0-	1,500	1,800	4,100
7/02/69	227,250	10,950	3,500	6,500	3,500	-0-	-0-	500	500	8,000
7/03/69	184,300	11,050	5,500	6,500	1,250	1,100	-0-	-0-	200	4,500
7/07/69	188,250	14,350	9,200	6,500	2,000	-0-	-0-	-0-	200	6,100
7/08/69	190,840	11,000	10,800	6,000	1,650	-0-	-0-	4,400	-0-	2,400
7/09/69	168,250	7,500	8,200	6,000	750	-0-	-0-	2,500	-0-	7,100
7/10/69	168,750	4,700	6,700	6,000	1,900	1,000	-0-	-0-	-0-	4,700
7/11/69	156,000	4,100	4,500	6,000	1,250	-0-	-0-	-0-	-0-	5,000
7/14/69	156,650	4,400	5,000	5,500	1,250	1,300	-0-	-0-	1,600	5,000
7/15/69	173,850	4,200	12,000	5,000	1,250	1,300	-0-	-0-	1,600	6,000
7/16/69	145,150	3,150	11,600	5,000	1,000	100	-0-	-0-	1,500	5,900
7/17/69	164,200	2,850	15,350	5,000	500	-0-	-0-	-0-	1,500	7,500
7/18/69	165,100	4,800	16,250	5,000	500	700	-0-	-0-	1,500	7,200
7/21/69	187,300	10,200	16,750	5,000	250	7,800	-0-	-0-	1,500	7,000
7/22/69	186,400	7,350	17,550	5,200	-0-	7,000	-0-	-0-	1,500	8,000
7/23/69	189,850	4,950	14,950	5,100	-0-	6,600	-0-	-0-	-0-	12,900
7/24/69	177,300	6,200	8,500	5,000	-0-	1,500	-0-	-0-	-0-	7,200
7/25/69	155,075	7,325	-0-	5,000	1,000	1,000	-0-	-0-	-0-	7,100
7/28/69	153,800	6,800	-0-	4,500	-0-	900	-0-	950	-0-	6,600

1323 a

7/30/69	145,700	6,750	2,000	16,200	3,700	1,000	-0-	500	-0-	7,900
7/31/69	210,854	9,250	3,000	14,979	5,400	4,350	-0-	6,300	-0-	8,100
8/01/69	181,229	8,050	3,000	14,454	3,100	550	-0-	4,600	-0-	4,100
8/04/69	187,279	10,350	2,200	12,754	3,950	2,750	-0-	3,100	-0-	4,600
8/05/69	191,825	7,650	4,500	11,900	3,250	400	-0-	2,100	3,000	4,500
8/06/69	202,975	8,900	4,900	4,250	2,750	2,000	-0-	1,500	1,500	7,000
8/07/69	228,725	10,200	5,200	3,750	3,750	6,800	1,400	2,000	2,500	6,800
8/08/69	200,975	7,200	5,400	3,250	3,750	6,600	-0-	-0-	2,200	6,800
8/11/69	197,875	9,850	11,100	2,750	3,250	11,100	-0-	-0-	500	5,500
8/12/69	170,875	5,500	12,600	-0-	3,000	7,750	-0-	-0-	500	3,500
8/13/69	184,475	6,600	9,600	2,000	2,750	2,650	-0-	-0-	6,500	6,000
8/14/69	208,850	10,000	8,300	-0-	2,500	2,300	-0-	3,000	9,500	14,400
8/15/69	210,950	10,250	6,800	-0-	2,500	3,400	-0-	4,000	8,800	4,900
8/18/69	225,125	12,500	11,500	-0-	2,100	5,200	-0-	4,000	7,700	4,600
8/19/69	224,375	10,900	10,700	-0-	2,850	7,450	1,000	6,100	7,600	7,100
8/20/69	202,275	10,600	9,600	-0-	1,550	5,150	-0-	2,500	3,500	6,000
8/21/69	218,875	5,100	9,100	-0-	1,450	10,350	-0-	-0-	8,500	4,800
8/22/69	212,575	5,300	8,100	-0-	1,350	8,850	-0-	2,000	8,500	6,800
8/25/69	244,700	6,000	10,800	-0-	1,250	8,550	-0-	8,000	8,500	6,700
8/26/69	239,250	6,350	7,600	-0-	1,250	8,950	-0-	4,000	8,500	8,400
8/27/69	238,900	6,750	9,600	-0-	-0-	5,250	-0-	1,600	3,000	7,800
8/28/69	269,250	6,300	11,150	-0-	-0-	2,000	-0-	4,300	3,000	9,000
8/29/69	276,400	6,950	7,850	-0-	-0-	1,500	-0-	3,450	3,000	11,000
9/02/69	279,200	7,350	7,850	-0-	-0-	900	-0-	3,350	1,000	10,700
9/03/69	272,950	7,750	7,500	-0-	2,000	750	-0-	2,150	1,000	13,200
9/04/69	295,350	8,650	11,550	-0-	2,000	2,400	-0-	4,700	-0-	11,900
9/05/69	234,600	11,750	11,850	-0-	1,500	1,100	-0-	-0-	-0-	11,800
9/09/69	215,800	12,400	11,650	-0-	1,500	1,000	-0-	500	-0-	11,500
9/09/69	213,250	9,350	4,250	-0-	-0-	3,750	-0-	-0-	-0-	13,250
9/10/69	218,330	16,300	4,750	-0-	-0-	5,150	-0-	-0-	-0-	12,500

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.M.C.

9/11/69	224,950	14,850	5,250	-0-	-0-	5,350	[illegible]	-0-	-0-	13,000
9/12/69	244,850	17,400	7,350	-0-	-0-	11,900	6,350	-0-	-0-	11,000
9/15/69	235,150	12,450	6,250	-0-	-0-	1,000	1,900	-0-	-0-	10,500
9/16/69	225,900	10,450	9,250	-0-	-0-	500	300	-0-	-0-	10,500
9/17/69	230,250	10,350	9,450	-0-	-0-	600	-0-	-0-	-0-	12,000
9/18/69	228,185	9,600	9,850	-0-	-0-	500	-0-	-0-	-0-	11,800
9/19/69	241,435	11,200	8,750	-0-	-0-	500	1,200	-0-	-0-	11,500
9/22/69	230,735	9,100	8,250	-0-	-0-	4,500	500	-0-	-0-	10,500
9/23/69	230,685	9,150	4,750	10,000	2,000	500	-0-	800	-0-	10,000
9/24/69	219,100	7,550	4,750	4,000	2,000	500	-0-	-0-	-0-	9,000
9/25/69	256,775	14,300	4,750	4,000	2,000	-0-	-0-	-0-	2,000	11,000
9/26/69	246,675	14,250	4,000	3,000	2,000	1,050	-0-	-0-	2,000	9,400
9/29/69	286,625	13,950	5,500	-0-	2,000	250	2,500	-0-	1,000	10,600
9/30/69	227,925	11,850	5,500	-0-	1,000	250	-0-	-0-	-0-	10,300
10/01/69	191,125	8,850	4,500	-0-	-0-	-0-	-0-	-0-	-0-	9,600
10/02/69	199,275	6,500	5,300	-0-	-0-	-0-	-0-	-0-	-0-	10,500
10/03/69	189,300	9,625	5,200	1,000	2,500	-0-	-0-	-0-	-0-	10,300
10/06/69	195,325	9,825	4,000	-0-	2,500	1,000	-0-	-0-	-0-	9,100
10/07/69	193,525	9,125	4,200	-0-	2,500	700	3,600	-0-	-0-	6,800
10/08/69	178,875	10,225	4,000	-0-	2,500	1,500	2,000	-0-	-0-	5,600
10/09/69	193,300	8,825	6,000	-0-	2,500	1,500	2,000	-0-	-0-	8,500
10/10/69	192,500	8,125	6,000	-0-	2,500	1,750	2,000	-0-	-0-	6,500
10/13/69	219,650	7,125	-0-	-0-	-0-	-0-	2,000	-0-	-0-	-0-
10/14/69	214,140	6,550	7,300	-0-	2,500	1,500	2,000	-0-	-0-	9,500
10/15/69	193,040	7,375	4,300	-0-	4,500	1,000	-0-	-0-	-0-	5,700
10/16/69	212,040	6,875	6,050	-0-	4,500	1,800	-0-	350	-0-	7,000
10/17/69	212,340	6,875	5,800	-0-	3,700	2,500	-0-	-0-	-0-	6,000
10/20/69	219,300	8,075	4,500	-0-	3,700	5,200	-0-	1,000	-0-	5,700
10/21/69	202,150	8,075	6,500	-0-	2,700	4,700	1,000	500	-0-	5,700
10/22/69	190,275	6,375	6,500	-0-	2,700	3,000	-0-	500	-0-	6,000
10/23/69	188,500	3,975	6,000	-0-	2,200	500	-0-	-0-	-0-	5,700
10/24/69	178,150	5,475	6,000	-0-	2,200	1,000	1,100	-0-	-0-	5,200
10/27/69	141,025	7,525	4,000	-0-	1,000	-0-	1,100	-0-	-0-	5,000

10/28/69	160,225	6,400	9,000	-0-	1,000	100	1,000	500	-0-	5,000
10/29/69	179,350	9,175	8,800	-0-	1,000	1,300	-0-	1,500	-0-	7,000
10/30/69	175,600	9,175	7,900	-0-	1,000	1,000	-0-	1,000	-0-	6,500
10/31/69	169,350	8,075	6,500	-0-	500	500	-0-	500	-0-	5,900
11/03/69	228,822	9,400	7,700	-0-	500	4,700	-0-	6,550	-0-	6,500
11/04/69	222,972	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
11/05/69	261,040	14,250	5,100	-0-	850	8,650	-0-	13,600	-0-	6,500
11/06/69	286,280	15,250	10,800	-0-	500	9,250	-0-	13,500	-0-	6,500
11/07/69	264,545	16,300	8,550	-0-	-0-	3,950	1,500	15,900	-0-	6,500
11/10/69	263,105	13,900	7,550	-0-	1,575	1,550	-0-	9,500	-0-	7,000
11/12/69	243,527	12,925	8,250	-0-	2,200	350	-0-	9,450	1,100	6,500
11/13/69	258,541	12,350	9,450	-0-	-0-	-0-	2,500	7,950	-0-	7,000
11/14/69	246,250	11,000	6,000	1,500	-0-	-0-	-0-	6,500	-0-	7,000
11/17/69	220,883	10,800	3,500	-0-	-0-	4,000	-0-	6,500	1,000	7,000
11/18/69	262,617	10,800	4,950	-0-	200	800	6,500	5,500	1,000	7,000
11/19/69	243,027	7,500	3,600	3,500	100	-0-	5,000	5,500	1,000	9,000
11/20/69	235,490	7,900	4,600	3,700	-0-	-0-	7,850	4,500	1,000	9,000
11/21/69	212,910	7,850	3,200	1,200	-0-	-0-	6,950	4,500	-0-	8,800
11/24/69	224,946	7,000	7,450	5,100	-0-	1,000	2,750	3,000	-0-	9,600
11/25/69	232,097	6,500	12,700	2,800	-0-	-0-	3,200	3,500	-0-	9,600
11/26/69	257,823	17,800	11,900	15,350	2,450	1,500	2,750	2,950	-0-	11,000
11/28/69	288,296	21,850	11,900	15,000	2,000	-0-	8,800	1,500	-0-	13,100
12/01/69	286,994	21,850	8,000	11,200	2,000	700	12,200	3,500	-0-	10,100

12/02/69	286,749	16,750	6,700	11,250	4,550	800	15,100	1,500	-0-	10,100
12/03/69	274,694	16,850	6,600	5,000	2,165	1,550	11,600	500	-0-	11,500
12/04/69	286,853	14,350	8,900	5,000	1,450	9,100	11,100	1,500	-0-	8,500
12/05/69	296,175	18,475	13,500	5,000	1,800	11,400	13,500	1,000	-0-	7,500
12/08/69	290,715	17,375	17,750	5,000	550	19,400	10,850	500	-0-	2,000
12/09/69	276,220	16,625	23,550	5,000	-0-	16,200	12,850	-0-	-0-	7,500
12/10/69	270,970	15,600	22,700	-0-	-0-	16,000	6,350	-0-	-0-	6,500
12/11/69	271,165	19,500	21,350	-0-	-0-	27,000	9,000	-0-	-0-	8,500
12/12/69	243,670	16,050	21,250	4,000	1,380	23,500	6,700	-0-	5,000	10,000
12/15/69	304,980	22,700	10,750	1,650	800	27,050	4,400	-0-	5,000	10,500
12/16/69	280,024	21,520	11,250	3,000	600	23,150	4,100	-0-	-0-	10,300
12/17/69	271,124	19,320	10,250	-0-	1,800	22,050	2,400	-0-	-0-	10,100
12/18/69	258,994	18,970	9,850	2,000	3,100	19,850	3,250	-0-	-0-	10,100
12/19/69	239,474	16,170	7,950	-0-	815	13,950	1,000	-0-	-0-	13,600
12/22/69	239,519	17,020	7,350	750	5,035	7,700	-0-	500	-0-	12,300
12/23/69	245,464	16,570	7,910	750	3,950	1,000	1,740	-0-	-0-	11,000
12/24/69	208,769	400	6,410	950	2,250	1,700	740	-0-	-0-	9,750
12/26/69	219,565	4,150	7,750	2,250	300	7,550	3,000	-0-	-0-	9,500
12/29/69	240,495	5,815	6,100	950	200	7,550	5,200	-0-	-0-	9,500
12/30/69	228,950	6,365	4,500	950	-0-	6,750	1,000	-0-	-0-	7,500
12/31/69	232,550	3,815	2,000	100	-0-	1,250	2,100	-0-	-0-	7,500
1/02/70	196,640	3,715	500	100	-0-	10,250	1,100	10,000	-0-	7,500
1/05/70	194,370	4,265	900	2,700	1,800	-0-	1,100	1,000	-0-	6,300
1/06/70	176,355	4,490	4,800	-0-	200	500	1,100	-0-	-0-	6,500
1/07/70	166,514	4,390	3,100	3,000	850	500	1,100	1,000	-0-	6,500
1/08/70	175,035	7,165	2,965	11,000	-0-	2,300	-0-	600	-0-	5,000
1/09/70	162,425	12,000	1,300	6,250	400	6,000	-0-	-0-	-0-	4,000
1/12/70	190,801	18,850	-0-	5,000	-0-	800	-0-	-0-	-0-	4,000
1/13/70	190,716	16,895	6,600	5,000	-0-	1,000	-0-	2,500	-0-	3,500

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.M & M
1/14/70	221,610	13,995	8,200	5,000	500	11,600	1,500	-0-	-0-	3,500
1/15/70	243,980	12,1[illegible]5	10,000	5,000	1,300	16,000	500	-0-	-0-	2,500
1/16/70	229,912	15,045	12,000	1,050	1,000	14,650	500	-0-	-0-	2,000
1/19/70	250,685	14,400	9,200	-0-	1,000	13,450	-0-	-0-	-0-	3,000
1/20/70	241,881	15,450	8,700	500	500	11,450	-0-	-0-	-0-	3,500
1/21/70	237,396	15,720	7,200	1,000	1,400	14,200	-0-	-0-	-0-	2,700
1/22/70	210,621	18,120	6,000	-0-	2,400	9,200	-0-	500	-0-	2,700
1/23/70	215,625	13,270	3,000	3,000	1,800	10,150	-0-	-0-	-0-	2,200
1/26/70	226,561	16,570	6,750	500	850	14,350	-0-	-0-	-0-	4,700
1/27/70	228,381	17,370	5,000	400	500	11,800	-0-	2,000	-0-	4,700
1/28/70	221,966	13,250	5,700	2,400	1,500	9,000	-0-	1,000	-0-	4,200
1/29/70	243,856	14,920	5,450	3,400	300	7,950	-0-	4,000	2,000	3,700
1/30/70	263,325	13,710	8,750	5,040	1,500	6,000	-0-	2,000	2,000	3,600
2/02/70	248,198	9,210	9,550	5,040	2,700	6,000	-0-	2,000	2,000	4,500
2/03/70	240,353	10,110	8,850	4,540	2,500	6,000	-0-	5,400	2,000	3,750
2/04/70	261,771	16,610	9,850	4,290	2,500	4,000	-0-	5,400	2,000	4,250
2/05/70	287,613	14,710	15,675	6,790	2,500	4,000	-0-	8,400	2,000	5,450
2/06/70	248,830	14,250	9,350	4,040	3,500	9,250	-0-	700	2,000	6,750
2/09/70	242,968	4,650	12,850	4,040	4,950	5,100	-0-	5,200	2,000	6,500
2/10/70	240,828	3,000	9,450	3,040	3,000	2,200	-0-	15,200	5,000	10,100
2/11/70	259,292	1,700	12,350	2,740	2,500	7,250	-0-	9,000	4,500	9,400
2/13/70	257,025	6,050	14,800	3,040	2,000	8,750	-0-	6,300	4,500	9,400
2/16/70	268,780	4,700	13,300	3,540	2,400	18,100	-0-	5,800	4,000	8,900
2/17/70	251,446	3,470	12,500	3,340	2,150	15,950	-0-	7,500	4,000	3,150
2/18/70	265,104	3,470	13,200	2,540	2,000	6,800	-0-	7,500	4,000	4,150
2/19/70	254,376	3,470	12,700	1,640	1,500	4,050	-0-	5,000	4,000	4,050
2/20/70	248,114	1,100	16,500	1,140	2,000	5,950	-0-	6,000	4,000	4,050
2/24/70	255,478	1,000	15,000	140	3,400	9,200	-0-	8,800	4,000	6,350
2/25/70	262,023	-0-	14,500	200	3,500	1,700	-0-	7,300	4,000	6,350
2/26/70	261,306	-0-	12,550	1,200	500	1,300	-0-	10,200	3,000	6,250
2/27/70	245,727	-0-	-0-	1,200	500	400	-0-	4,000	3,000	8,350
[illegible]	[illegible]	[illegible]	[illegible]	1,200	500	200	-0-	4,000	3,000	8,350

3/03/70	261,239	1,450	2,000	1,000	500	1,000	-0-	1,000	1,000	4,050
3/04/70	284,809	3,550	9,300	-0-	500	6,900	-0-	6,300	5,000	5,750
3/05/70	274,086	3,050	9,300	1,265	4,220	2,800	-0-	4,500	5,000	5,750
3/06/70	256,774	3,050	4,500	-0-	900	800	-0-	2,700	5,000	5,650
3/09/70	237,663	2,750	4,500	-0-	1,940	1,300	-0-	7,500	4,500	5,350
3/10/70	231,687	2,750	3,000	-0-	3,500	2,900	-0-	1,000	4,500	5,350
3/11/70	235,857	3,250	2,000	-0-	600	3,450	-0-	1,000	4,500	4,350
3/12/70	191,252	3,750	6,235	1,500	1,500	6,950	-0-	-0-	2,000	3,450
3/13/70	194,258	4,700	5,735	500	1,150	5,800	-0-	-0-	2,000	1,750
3/16/70	241,420	3,650	1,500	2,000	-0-	8,350	-0-	-0-	8,000	1,400
3/17/70	252,970	3,650	1,250	1,000	-0-	7,250	-0-	-0-	8,000	1,200
3/18/70	289,911	3,350	7,150	1,000	-0-	1,000	-0-	5,500	7,500	3,200
3/19/70	276,009	2,000	9,900	1,000	-0-	-0-	-0-	4,500	5,500	3,200
3/20/70	292,032	2,000	13,233	-0-	300	19,900	-0-	3,000	5,500	4,700
3/23/70	304,643	2,000	13,835	-0-	335	23,400	9,000	2,150	5,500	3,200
3/24/70	284,420	2,000	17,235	-0-	1,000	17,950	14,200	750	4,000	3,600
3/25/70	312,166	2,000	13,485	-0-	2,450	20,050	16,700	2,200	4,500	6,100
3/26/70	334,685	2,000	13,685	-0-	2,774	20,500	11,900	1,200	7,500	5,800
3/27/70	307,268	2,000	13,985	-0-	-0-	12,800	5,500	1,500	6,500	8,200
3/30/70	338,394	6,200	10,100	-0-	-0-	8,700	5,500	3,000	6,500	11,900
3/31/70	325,780	6,875	15,100	-0-	2,700	3,800	2,000	2,600	4,700	11,600
4/01/70	328,715	8,250	12,900	-0-	-0-	3,300	2,000	2,600	4,700	12,850
4/02/70	309,785	7,250	12,350	-0-	500	9,350	2,000	600	4,700	13,350
4/03/70	304,695	5,400	7,600	-0-	900	2,950	1,000	3,600	4,200	11,950
4/06/70	299,352	4,250	7,400	300	3,200	1,850	-0-	1,400	4,200	8,650
4/07/70	265,590	3,500	5,400	-0-	1,000	1,600	-0-	850	4,200	9,850
4/08/70	237,165	-0-	-0-	-0-	500	1,100	-0-	100	9,200	9,450
4/09/70	243,640	-0-	4,000	-0-	1,100	10,200	-0-	100	3,600	6,700
4/10/70	237,640	-0-	6,350	-0-	1,250	13,700	-0-	-0-	6,600	6,200
4/13/70	243,570	-0-	6,350	-0-	1,250	11,450	-0-	-0-	6,100	8,500
4/14/70	267,270	-0-	14,150	-0-	-0-	1,550	-0-	-0-	6,100	8,300
4/15/70	268,570	-0-	13,100	-0-	-0-	550	-0-	-0-	5,850	9,900

FROM 4/16/70 TO 6/22/70 - 7,000 SHARES +

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.M & M
4/16/70	255,069	-0-	2,700	-0-	1,000	550	-0-	-0-	5,850	8,200
4/17/70	251,840	-0-	3,700	-0-	1,000	9,150	-0-	2,000	5,100	8,200
4/20/70	206,560	-0-	10,400	-0-	2,500	9,350	-0-	6,500	2,600	8,900
4/21/70	273,482	-0-	11,900	-0-	3,500	800	-0-	5,500	2,600	7,900
4/22/70	270,413	-0-	8,700	-0-	3,500	2,550	-0-	500	2,600	7,900
4/23/70	232,345	-0-	4,000	-0-	2,200	2,800	-0-	500	600	5,800
4/24/70	244,640	-0-	3,600	-0-	2,000	600	-0-	500	3,100	5,600
4/27/70	262,603	-0-	3,600	-0-	5,250	600	-0-	500	3,100	5,600
4/28/70	215,132	-0-	2,500	-0-	2,000	1,200	-0-	1,200	3,100	5,600
4/29/70	253,418	-0-	5,500	-0-	2,000	3,100	-0-	1,900	7,100	5,600
4/30/70	241,148	-0-	6,250	-0-	4,260	5,300	-0-	10,100	3,600	7,600
5/01/70	274,595	-0-	11,250	-0-	4,260	12,350	-0-	10,100	3,600	7,600
5/04/70	287,115	-0-	11,250	-0-	11,760	1,600	-0-	3,000	3,600	7,600
5/05/70	308,669	-0-	6,750	5,000	3,300	3,300	-0-	-0-	3,600	7,300
5/06/70	304,265	-0-	4,650	5,000	2,500	100	-0-	-0-	1,100	9,100
5/07/70	293,195	-0-	-0-	5,000	9,900	100	-0-	-0-	4,100	8,600
5/08/70	247,896	-0-	300	5,000	3,300	100	-0-	-0-	2,600	11,100
5/11/70	221,571	-0-	1,000	5,000	4,100	100	-0-	-0-	2,100	10,100
5/12/70	200,815	-0-	5,000	6,000	2,500	-0-	-0-	-0-	2,000	9,400
5/13/70	178,605	-0-	7,000	6,000	2,300	-0-	-0-	-0-	2,000	7,900
5/14/70	188,064	-0-	7,000	5,000	1,700	2,700	-0-	2,000	2,000	8,600
5/15/70	174,917	-0-	7,400	3,000	2,000	3,700	-0-	2,000	2,000	7,350
5/18/70	210,672	-0-	14,700	3,000	2,500	2,700	-0-	-0-	-0-	7,250
5/19/70	177,089	-0-	6,700	500	2,400	900	-0-	600	-0-	4,300
5/20/70	155,185	-0-	6,450	500	1,700	2,400	-0-	-0-	-0-	2,900
5/21/70	153,571	-0-	6,350	500	1,500	750	-0-	-0-	-0-	2,800
5/22/70	148,410	-0-	8,350	6,500	3,200	300	-0-	1,250	-0-	2,600
5/25/70	176,368	-0-	10,450	500	4,500	300	-0-	2,750	6,000	3,000
5/26/70	161,274	-0-	8,450	500	7,500	300	-0-	250	5,500	1,400
5/27/70	174,842	-0-	5,000	500	4,250	4,700	-0-	250	5,500	1,300

5/28/70	145,729	-0-	5,000	-0-	10,100	1,200	-0-	1,200	2,500	2,550
5/29/70	168,247	-0-	5,700	-0-	6,250	700	-0-	250	2,500	2,550
6/01/70	167,946	-0-	8,700	-0-	8,100	4,700	-0-	-0-	2,500	2,850
6/02/70	177,862	-0-	9,675	-0-	8,575	200	-0-	2,500	1,000	2,100
6/03/70	192,878	-0-	9,175	-0-	6,350	4,400	-0-	2,500	1,000	7,100
6/04/70	166,556	-0-	6,700	-0-	5,050	100	1,000	1,500	1,000	6,900
6/05/70	178,632	-0-	6,700	2,000	6,450	10,650	2,000	5,600	1,000	5,700
6/08/70	186,358	-0-	7,200	2,000	2,000	2,600	1,000	1,600	1,000	5,700
6/09/70	176,073	-0-	6,700	2,000	1,500	100	1,500	1,600	1,000	5,200
6/10/70	202,673	-0-	7,200	-0-	1,950	5,800	2,000	-0-	4,000	7,400
6/11/70	215,968	-0-	8,325	-0-	1,700	5,300	1,000	-0-	4,000	6,100
6/12/70	195,618	-0-	7,500	400	2,500	3,850	-0-	-0-	4,000	6,100
6/15/70	227,515	-0-	10,250	-0-	3,150	2,700	4,700	-0-	4,000	6,350
6/16/70	181,435	-0-	9,250	-0-	1,600	1,300	100	-0-	4,000	4,350
6/17/70	167,570	-0-	12,250	-0-	2,100	2,300	100	-0-	3,500	4,350
6/18/70	181,450	-0-	11,000	-0-	3,200	2,700	500	-0-	3,500	4,350
6/19/70	185,095	-0-	6,000	-0-	1,400	1,300	100	-0-	3,500	4,350
6/22/70	184,095	-0-	3,700	-0-	1,500	800	100	-0-	3,500	6,250

Ex. F-56: Portion of "A Report on the Commercial Paper Department Prepared for the Management Committee and the Partnership, March 1970."

CONFIDENTIAL

A REPORT ON THE COMMERCIAL PAPER DEPARTMENT PREPARED FOR THE MANAGEMENT COMMITTEE AND THE PARTNERSHIP

MARCH 1970

1333a

GOLDMAN, SACHS & CO.

A REPORT ON THE COMMERCIAL PAPER DEPARTMENT PREPARED FOR THE MANAGEMENT COMMITTEE AND THE PARTNERSHIP

MARCH 1970

Prepared by: Robert G. Wilson
George Van Cleave
Matthew J. Tolan
Roger M. Lynch
Hy Weinberg

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COMMERCIAL PAPER DEPARTMENT

INTRODUCTION

At the request of the Partnership, and for the purpose of the Management Committee's yearly review, we have prepared a detailed study of the operations of the Commercial Paper Department. An Organization Chart for the department is shown in Exhibit I. The primary reasons for initiating and conducting this study were:

1. To define the objectives of the Commercial Paper Department and the role of Goldman, Sachs & Co. in the overall commercial paper market.

2. To institute changes necessary to insure that our rate structure for issuers is competitive.

3. To determine ways of improving the overall profitability of the Commercial Paper Department.

4. To determine ways of reducing inventory.

5. To improve our ability to meet the requirements of our issuers.

6. To examine the reasons for our spiraling costs.

7. To evaluate the effectiveness of our internal systems and communications.

This study was initiated early in November 1969. At that time, the most current financial and operating data available was for the month of September 1969. Since we needed at least one full year of data for most of our analyses, we chose the most recent twelve month period that was then available, namely October 1, 1968 through September 30, 1969. For this period, we collected and used all of the detailed information available on purchases, sales, amount of paper outstanding, inventory levels, operating costs, inventory markups, and inventory carrying costs.

It should be pointed out that the study period was marked by a dramatic increase in interest rates, with the prime bank rate going from 6% to 8-1/2%, and our best buying rates going from 5-7/8% to 9-1/8% during the period. (See Exhibit II)

For the purpose of this commercial paper study the operation of the FNMA Department was not considered. Accordingly, all income and expenses of the FNMA operation have been excluded from the projected profit figures. We have also excluded the income from the sale of federal funds and private placements (an estimated $275,000 for the period studied) from our profit projections due to the uncertainty of this income continuing.

BACKGROUND – PROJECTIONS

Four years ago the amount of commercial paper Goldman, Sachs & Co. had outstanding was approximately $900 million. As of March 31, 1970 our outstandings were $5.9 billion. We

1337a

expect during the current year our outstandings will peak at $6.4 billion. Based on the assumption that the major thrust of the Commercial Paper Department continues on the present basis, we have prepared the following projections.

Projections of Average and Peak
Goldman, Sachs & Co.'s Outstandings
for the Next Three Years

	Average	Peak
1969 Actual	$4.7 billion	$5.4 billion
1970	5.9 billion	6.4 billion
1971	6.7 billion	7.2 billion
1972	7.4 billion	7.9 billion
1973	8.0 billion	8.5 billion

Assuming we reach these levels of outstandings in the next three years, it will necessitate more personnel, more space, new systems to handle increased number of transactions, etc. In short, our overhead costs will climb dramatically. More importantly, we estimate operating as we do today, the need to carry four to five hundred million dollars of inventory by 1973.

During the latter part of 1966 competitive factors compelled us to reduce our 1/4 of 1% spread to 1/8 of 1%. In recent years four major investment banking firms have become commercial paper dealers -- Eastman Dillon, Union Securities & Co., The First Boston Corporation, Lehman Commercial Paper, Inc., and Merrill Lynch, Pierce, Fenner & Smith, Inc.

In the past four years the Commercial Paper Department's profits, after all charges but before taxes, have fluctuated downward. They certainly have not grown proportionately with outstandings. The following table shows the Commercial Paper Department's profits since 1966.

The Commercial Paper
Department's Net Profits

1966 - $ 624,000
1967 - $1,162,000
1968 - $ 268,000
1969 - $ 435,000

ACTIONS INITIATED TO ADJUST TO THE CHANGING COMMERCIAL PAPER MARKET

In order to counter the erosion of profits and increased competition, we have taken the following actions. Many of the positive effects of these changes are not visible in the figures for the period studied due to the bias of rapidly rising interest rates, the large negative carry of inventory, the unusual growth in our outstandings and the increase in the number of transactions handled. Furthermore, some of the new actions were started after the study period.

1. Requiring issuers to establish New York, Chicago and West Coast bank release of notes in order to fill special orders of specific maturity dates. (This is known as "Tap Issue")

2. Introducing the concept of large industrial issuers establishing demand lines at their banks. The demand lines enable the issuer to borrow from his bank on a daily basis, eliminating most of the need for Goldman, Sachs & Co. to inventory unsold paper. This permits Goldman, Sachs & Co. to sell the paper on a special order basis and enables the issuer to then pay down the demand line. We are in the early stages of this program and are adding larger issuers as rapidly as details can be worked out.

3. Initiating the concepts of tap issue and demand lines has enabled us to manage our inventory positions more efficiently and effectively. However, keeping inventory below the $250 million ceiling will become more difficult as our outstandings rise, as the average maturity of our industrial issuers becomes shorter, and as our average daily industrial and finance company maturities approach $200 to $250 million.

4. On a limited number of smaller and less marketable issuers we have established a policy of working on a "best efforts" basis with no inventory. This has been in effect for a short period of time and experience has shown we can generate sufficient sales to take care of these issuers providing an intensive sales effort is made in the issuer's geographical region at 1/8 of 1% or more higher selling rates.

5. Establishing a formal credit committee for periodic review of our 300 commercial paper issuers.

6. Increasing spreads for smaller less marketable issuers under a new classification system. This system was not in effect during the period studied. This system operates in the following manner:

Class I (excellent marketability) – Best selling rate plus 1/8 of 1% spread determines buying rate.

Class II (good marketability) – Same as Class I but for shorter maturities.

Class III (fair marketability) – 1/8 of 1% over our best selling rate plus 1/8 to 1/4 of 1% spread determines buying rate.

Class IV (poor marketability) – 1/4 of 1% over our best selling rate plus 1/4 to 1/2 of 1% spread determines buying rate.

7. Increasing the size of our sales organization, buying department, and credit department. We opened a sales office in Los Angeles.

8. Establishing the position of National Sales Manager with the authority and responsibility to coordinate the marketing of commercial paper in all offices. Matt Tolan is currently examining each sales office, focusing on the number and quality of personnel, salesmen's existing and potential client assignments and the efficiency of internal systems and procedures.

9. Initiating West Coast release of finance company notes, which enables the Los Angeles office to sell up until 3:30 p.m., East Coast time, for same day delivery. We are expanding this concept to more of our larger issuers as demand develops, and plan to have some of our larger industrial company issuers included.

10. Relocating the St. Louis buying function to New York and Chicago. When completed this will result in better coordination, faster decisions and greater accuracy.

11. Establishing a morning conference call at 10:00 a.m. with all offices to discuss market conditions, competition, inventory positions and to apprise all salesmen as to availability of paper and current selling rates.

12. Instituting "hot" lines and tie lines to the sales offices as well as to key investing and issuing accounts.

13. Initiating a study on communications and procedures with Arthur D. Little & Co. conducting the study. The final results of this study will not be available until early May.

14. Reducing the selling rate by 1/4 of 1% on all sales less than $200M. This in effect enables Goldman, Sachs & Co. to earn 1/4 of 1% more, which goes to offset the cost of the transaction. We are also considering a minimum transaction fee of $20 for this size trade.

15. Increasing the minimum sale from $50,000 to $100,000. We are continually reviewing this matter and may raise the minimum sale to $200,000.

DEVELOPMENT OF A NEW STRATEGY

This study has afforded management of the Commercial Paper Department an opportunity to stand back from day-to-day operations and analyze where we have been and where we are going. Like so many companies which go through a rapid growth period, there comes a time when management must analyze all accounts and prune out the unprofitable ones. We think the Commercial Paper Department should do just that. Only five years ago we were servicing 125 issuing accounts. In the last four years we have taken on nearly 180 new issuers. Clearly, certain issuing accounts which were profitable in 1966 at the $2–$3MM level of outstandings are no longer profitable in 1970. Furthermore, we feel it makes good business sense to periodically upgrade our client list. As part of this process of self-examination and critical review, we have developed a new strategy for the 1970's.

This strategy is based on three fundamental concepts: (1) a select client mix; (2) marketing on a "tap" issue basis, and (3) issuer access to demand bank borrowing. This new strategy will permit Goldman, Sachs & Co. to provide efficient service to a select client mix at competitive rates while at the same time increasing profits. This result comes about primarily because we will be carrying virtually no inventory and, therefore, will not incur the losses associated with marking up paper and negative carry.

A more selective client list made up primarily of our large issuers selling on a "tap" issue basis with backup demand lines, would in our judgment require the carrying of virtually no inventory to meet their day-to-day requirements. We find that as we add to the client list a large

number of issuers, our selling effort becomes diffused. This results in our having to position their notes to meet their requirements. A pertinent question arises as to why not handle all our issuers on a "tap" basis with backup demand lines? We do not believe Goldman, Sachs & Co. can service 300 issuers on this basis because (1) the smaller issuers probably could not get demand lines from their banks; (2) the smaller issuers are less marketable and therefore it is more difficult to generate special orders on a same day basis, and (3) should we decide to expand our staff in order to achieve this objective the costs would greatly exceed the income derived.

Our analysis indicated (Exhibit III) a high concentration in outstandings, with relatively few issuers accounting for the bulk of the outstandings. Of our 195 active issuers on September 30, 1969, the 69 largest accounted for 86.5% of our outstandings, and as of February 28, 1970, 61 of our largest issuers accounted for 86% of our outstandings. We feel there should be sound business reasons why we continue to handle smaller and less marketable issuers. Furthermore, we should be concentrating our efforts on servicing companies with net worths in excess of $100 million, which have the potential of issuing $10–$500 million commercial paper or of generating a minimum of $12,500 gross income per year.

Many of our existing large issuers have asked us why we do not specialize in handling larger accounts. Our competition, particularly the newer commercial paper dealers, when talking to potential large issuers and to our large existing clients are contending that "Goldman, Sachs & Co. is too big in the commercial paper market," "they cannot possibly handle 300 issuing accounts," and that "you will be just another account at Goldman, Sachs." There is some truth to these assertions. We must make further changes in our method of operations if we are to maintain our position of leadership.

This study has convinced us it is not necessary or desirable to inventory commercial paper. The market has changed in the last five years. Formerly, we called an issuer three days in advance, set the maturity, denominations and rate, and had the company mail the notes to us. In this type of transaction the purchase was for inventory and not for special order. The concept of inventorying is out of date in today's market. Our selling day is now compressed into a two-hour period between 10:30 a.m. and 12:30 p.m. New York time. The investor wants delivery of the actual notes and usually will not take due bills. The investor wants to choose the maturity, not work out of Goldman, Sachs' inventory with its prearranged maturity dates. The investor wants quick answers as to whether we can complete a sale. On a recent sales day of $326 million, $316 million of it was special order and never appeared in Goldman, Sachs' inventory. More surprisingly, Goldman, Sachs & Co.'s inventory at the start of that day was $225 million and closed the day at $225 million. Furthermore, the positioning of commercial paper was expensive during the period studied. We incurred two types of losses: a $1,300,000 loss in financing the position and a $1,372,147 loss from marking up paper in inventory. By eliminating this out-of-date practice of inventorying, the Commercial Paper Department's profits will be enhanced.

There are a number of other benefits to Goldman, Sachs & Co. connected with a decision not to inventory commercial paper:

1. Cost reductions can be made relating to financing positions and to certain back office personnel (runners, loan desk, etc.)

2. There is less risk of notes being lost or stolen (with the attendant insurance costs) if the repos, loans and hold-in-custody items are virtually eliminated.

3. The Texas Gulf Sulphur case and the Merrill Lynch–Douglas Aircraft case have made financial officers more reluctant to tell us news prior to a general public release. In recent months, adverse news at Libby, McNeill & Libby, General Dynamics, and Penn Central have made us question the wisdom of positioning large amounts of an issuer's notes. We now doubt there are sufficient business reasons to inventory paper due to the remote risk of some day having $5–$10 million of commercial paper collateral (even temporarily) unacceptable for loan purposes.

4. By not carrying inventory for the purpose of satisfying issuers' requirements, we free up a potential capacity for carrying positions for the sole purpose of trading.

5. By not carrying a commercial paper inventory the partnership balance sheet becomes less leveraged.

6. In the past the Commercial Paper Department has recommended to the Management Committee that the Department be incorporated for the purpose of minimizing risk. Separate incorporation of the Department is not as necessary if we carry virtually no inventory.

This study also confirmed that there is a direct correlation between Goldman, Sachs & Co.'s level of inventory and its competitiveness on rates. This correlation is best illustrated in the following way:

Assuming at the start of a business day we have $100 million of potential inventory to buy, and assuming the inventory level is near the $250 million ceiling, and assuming sales are slow, we are faced with the following options:

1. We can trade dollars, which means simultaneously buying and selling paper at the same rate for the purpose of stimulating sales. If we maintain the existing rates and trade dollars, we remain competitive for the issuers but eliminate any income from these trades. If we raise rates, we become non-competitive.

2. We can initiate distress selling, which means marking up inventory paper to a level where large sales are generated. This practice frees up room within the inventory ceiling to accommodate those issuers having maturities that day, but at a breakeven or loss basis. This practice of distress selling can be done at any time during the business day. It has an unfortunate derivative effect if done constantly in that some corporate investors, who are issuers or potential issuers, believe that if Goldman, Sachs & Co.'s selling rates are high their buying rates must be high also. Some of our clients feel they should "buy from Goldman, Sachs & Co. and issue through a competitor."

3. We can advise the issuers to cover their commercial paper maturities with bank borrowing. This, in effect, is turning them down and raises uncertainty in the issuer's mind as to the reliability of the commercial paper market. They question if they should use Goldman, Sachs & Co. exclusively, or split the account, in order to give them greater assurance of covering their maturities.

4. We can request a temporary increase in the inventory ceiling from the Management Committee. This option was not always open to us during the period studied, as financing was not available. During periods of tight credit when there is a large negative carry this option becomes undesirable. Furthermore, unless sales pick up the following day we are faced with the same dilemma, only at a higher inventory level.

There are other adverse competitive factors associated with large inventories. They are:

1. We very often trade dollars or initiate distress selling during periods of large negative carries in order to cut losses. At times it is cheaper to unload short inventory paper rather than carry it at a point or more loss. The competitive disadvantage is the same as 2. above.

2. For the period studied we were frequently unable to buy back large blocks of paper from investors because we were near our inventory ceiling. Therefore, we were noncompetitive in relation to what our investors said other dealers were able to do.

3. We found the technique of financing $100 million of our $250 million inventory by repos frequently resulted in freezing that $100 million from same-day delivery unless there was due bill authorization. The salesmen could not offer for same-day delivery two-fifths of our inventory where physical delivery of the notes was required because they were "out on repo."

The above illustrations have convinced us we have become noncompetitive during those market periods when the inventory ceiling becomes operative, which for this study was nearly three days out of five. By adopting our new strategy and carrying virtually no inventory we feel we can eliminate these problems and become very competitive.

FNMA DEPARTMENT

As previously stated, the FNMA Department's costs and income were not included in this commercial paper study. By way of background, Mike Bruno, Manager, reports to George Van Cleave. Mike has a two-man staff in New York and has just hired one salesman in Chicago. Sales are primarily generated through the commercial paper salesmen. We act as agent in a four-firm syndicate under a three-year contract which expires 12/31/71. There are currently $4 billion FNMA discount notes outstanding. We are doing about 14% of the sales volume. Our trading inventory averages approximately $5MM. On a .05% commission, in calendar 1969 we grossed $180,000. We are hopeful of expanding our activities in the sale of other governmental agencies' securities.

NOTE & DISCOUNT DEPARTMENT

The Note & Discount Department is essentially the operations' arm of the Commercial Paper Department. However, organizationally the Note & Discount Department reports to the Treasury Division (Bob Geiger) who, in turn, reports to George Doty.

The Note & Discount Department working closely with the Cashier, Cage, Custody, and Runners, processed 103,000 transactions for the period studied. The Note & Discount Department performs the following specific functions:

- Receiving and processing commercial paper
- Preparation of commercial paper for delivery
- Certain record keeping and preparation of reports
- Confirming New York Office purchases and sales
- Managing the Inventory Control Desk
- Managing the Inventory Loan Desk
- Arranging repos and other financing of inventory in conjunction with the Cashier

The policies and procedures established by the Note & Discount Department to accomplish their responsibilities very much affect the daily functioning of the Commercial Paper Department. For instance, their rules on (1) availability of collateral which is "out on repo;" (2) deadlines for substitution of collateral which is "out on repo;" (3) cutoff deadlines for same-day sales, purchases, and deliveries; (4) deadlines for buybacks and prepays; and (5) the use of due bills, all directly affect the Commercial Paper Department's ability to be competitive with issuers and investors alike.

It is because these two departments are so interrelated we feel there would be many advantages to having the Note & Discount Department report to the Commercial Paper Department.

SIMULATION MODELS AND ANALYSIS

In developing this study it appeared logical to build a number of simulation models to determine the impact of making changes in our client mix. As we made changes in client mix we wanted to measure the impact on profitability, inventory levels, etc. Initially we constructed six models, beginning with our fifty largest issuers and adding additional issuers for each model.

Model A – Represents our 50 largest commercial paper issuers.

Model B – Represents our 100 largest commercial paper issuers.

Model C – Represents our 100 largest issuers plus 39 issuers which produced income for other departments at Goldman, Sachs & Co. (See Exhibit IV)

Model D – Represents 152 commercial paper issuers chosen by the Commercial Paper Department strictly on the basis of the marketability of their notes and potential profitability of the accounts.

Model E – Represents all issuers in Model D plus those 39 issuers which produced income for other departments at Goldman, Sachs & Co. (See Exhibit IV).

Model F – Represents our actual operation of servicing 299 commercial paper issuers.

Starting with these six basic models we built numerous sub-models by varying such factors as:

- 1/8 of 1% spread
- negotiated fee
- sliding scale rate formula based on different levels of outstandings

- with inventory
- without inventory
- 25% increase in outstandings
- 25% decrease in outstandings

For the 63 resulting combinations we prepared an estimated profit and loss statement, calculated the amount of commercial paper that would be outstanding, and the average level of inventory that would exist, if any. For each of the 6 basic models we also prepared an organization chart of the Commercial Paper Department showing job functions and the number of personnel required. From the 63 models and sub-models, we have selected 18 for your consideration. (See summary of estimated profit and loss statements – Exhibit V and VI) We believe they represent the realistic options available to us. We have briefly stated the advantages and disadvantages of each of the 18 selected. On the basis of this study we have recommended that a specific course of action be authorized and implemented.

ASSUMPTIONS FOR THE REPORT

1. We assume that the prime mission for Goldman, Sachs & Co. in its commercial paper activity is to earn a fair return. Additional considerations are to aid the Corporate Finance Department in the solicitation of other investment banking business.

2. We assume there will be no Federal Regulation of non-bank related commercial paper.

3. We assume there will be a scarcity of short-term credit in the United States for the next five years, thus providing large credit-worthy corporations with an incentive to borrow in the commercial paper market. Although we anticipate a portion of this short-term debt will be funded periodically, we feel that because of the tremendous need for capital the dealer commercial paper market will continue to expand.

4. We assume that during the next few years financing will be available for inventory positions but on average at a negative carry.

5. We assume that the competition from other dealers will increase.

6. In preparing the Profit and Loss Statements for each of the 18 models and sub-models discussed in this report, we assume the gross spread will remain at 1/8 of 1% with the exception of those issuers where our spread is more than the 1/8 of 1%. In certain models we have indicated that a minimum fee arrangement would be applied to a selected class of accounts.

7. We assume in those models and sub-models where virtually no inventory is indicated, that issuers will be able to obtain demand lines to cushion run-offs and that nearly all transactions will be handled on a special order basis.

8. We assume that as the level of activity (measured by the number of transactions) is reduced or increased by adopting one of the models or sub-models analyzed, variable costs will decrease or increase in accordance with the patterns that we have found in the past.

9. We assume that Goldman, Sachs & Co. will maintain its policy of servicing issuer accounts exclusively.

10. We assume the frequency of changes in short-term rates will continue in the future, with attendant adverse effect on departmental profits because of markups. Invariably, inventory positions are larger when rates are rising and smaller when rates are falling and therefore frequent shifts in short-term rates result in our losing more on the way up than we earn on the way down.

11. We assume there will be no broad secondary trading market in commercial paper for the next five years. Trading will be confined to the periodic buybacks by the originating dealer when an investor has an unexpected need for funds.

FINDINGS

1. Despite the bias created by the rapid rise in interest rates and the unusually large negative carry during the period studied, this report demonstrates that the Commercial Paper Department can earn substantial profits. By adopting certain of the models or sub-models analyzed the profits for the department could have been improved.

2. The positive effects from the numerous actions we have taken to improve the department were not visible in the figures for the period studied because of rising rates, large negative carry, increased number of transactions and overall increase in the level of activity within the department. Also, many of these actions were introduced after the period studied.

3. Our study indicates a very definite correlation between the size of our commercial paper inventory and our ability to be competitive on rates to issuers. As the department functions near the inventory ceiling our ability to be competitive decreases.

4. This study clearly indicated there is an effect on the profit and loss statement depending upon the selected client mix. We were able to identify a client mix where the department could maximize profits and found as we added issuers to the one hundred largest accounts, incremental costs exceeded incremental income, and profits declined. We found even with increased spreads for smaller, less marketable issuers, the added income was insufficient to offset the costs of servicing these accounts.

5. This study convinced us that by having a more selective client mix, the carrying of inventory positions would be virtually unnecessary. We feel the larger commercial paper issuers would be able to obtain demand lines from their banks to cushion runoffs of maturities should Goldman, Sachs & Co. be unable to meet their requirements on a particular day. The concept of a large inventory is out of date and is the prime cause for our being noncompetitive as well as our decline in net profits.

6. This study shows that if we continue to handle 300 or more issuers under existing conditions, Goldman, Sachs & Co. must be prepared to (1) raise its inventory ceiling, and (2) hire more salesmen, buyers and back-office personnel. If these steps are not taken we will become noncompetitive and will lose some of our large issuing accounts. By incurring these increased costs for the purpose of servicing all existing issuers, the Department's profits can be expected to decline.

RECOMMENDATIONS

Model B is the most appealing alternative to the Commercial Paper Department. This involves servicing our 100 largest issuers. We estimate that if we had been operating under the conditions of Model B during the period studied, we would have achieved a net profit of $2,245,000. During this period we actually incurred a loss of $900,000. Model B-1 assumes a 25% increase in outstandings for these 100 largest issuers and is a realistic profile of the present outstandings for these issuers. Model B-1 would produce an estimated net profit of $2,744,000. These hundred names account for approximately 84% of our outstandings. Model B is appealing to us because we would (1) maximize profits, (2) carry virtually no inventory, (3) be competitive on our buying rates, (4) meet the requirements of the hundred issuers, and (5) reduce the overall costs of the department.

However, we recommend the adoption of Model C rather than Model B. We recommend Model C because of the realization that Commercial Paper is not an isolated department, but an integral part of the overall Goldman, Sachs & Co. team. By recommending Model C we have struck a balance between maximizing profits and handling the commercial paper of an additional 39 companies which produced income for other departments at Goldman, Sachs & Co. These additional 39 issuers will necessitate carrying some inventory but we would achieve most of the advantages mentioned above for Models B and B-1.

We further recommend that we adopt the following guidelines for soliciting commercial paper issuers.

1. Soliciting companies of sound credit with a net worth in excess of $100 million which have the potential of keeping outstanding $10 million or more on an annual basis.

2. Soliciting the companies now issuing through our competitors which meet the requirements of No. 1.

3. Providing commercial paper service for those companies which do not qualify in No. 1. or No. 2 where Goldman, Sachs & Co. has established or is about to establish an investment banking relationship, or where Goldman, Sachs & Co. has generated income in some other department.

In recommending Model C we do not contemplate limiting to 139 the number of issuers we would service, but would continue to add new qualified accounts.

We recommend a committee be formed to study the feasibility of the Note & Discount Department reporting to the Commercial Paper Department.

CONCLUSIONS

Below are the specific conclusions we reached with regard to the models:

1. Model A was unattractive because it was less profitable than Models B and C. Also, we felt 50 issuers provided us with too narrow and unstable a base in outstandings and profits.

2. Model D was unattractive because it was less profitable than Models A, B, and C. If we had selected Models D-2 or D-3 we would be faced with the associated disadvantages of carrying inventory.

3. Model E was unattractive because of the low level of profits and because we would be faced with the previously explained disadvantages relating to carrying inventory.

4. We gave serious considerations to recommending Model F or sub-models F. We finally concluded they were unattractive for the following reasons:

a. The losses under Models F, F-1 and F-2 were unacceptable.

b. Operating with a $250 million or larger inventory would not permit us to be competitive nor as profitable as under the conditions that would exist with a selective client mix.

c. We realized that we could not operate with 299 issuers on a "tap" issue basis and backup demand lines without incurring substantially increased costs for more personnel and a new communication system.

d. Under Model F-3 we seriously doubt if 144 smaller issuers would pay a $20,000 fee in lieu of a spread for our handling their commercial paper.

SUMMARY

This study afforded the Commercial Paper Department an opportunity to determine the role Goldman, Sachs & Co. chooses to play in the commercial paper market in the years ahead. Our objectives for the 1970's are to improve our competitiveness with both issuers and investors, increase profits, assist in new business development, operate as a dealer with virtually no inventory, fulfill issuers' requirements as needed, control our spiraling costs and continually seek new ways to improve the efficiency of our systems and procedures. We have developed a new strategy to meet these objectives. The three fundamental concepts of the new strategy are (1) a select client mix, (2) marketing on a "tap" issue basis, and (3) issuer access to demand borrowing at their banks. Adoption and implementation of Model C best meets these objectives.

In this report we did not feel we should prepare a plan of action to put Model C into effect. We know it will require careful study, issuer by issuer, and the full cooperation of the partnership.

Ex. F-63: Notes of December 9, 1969 meeting by Lepley.

Dec 9 1969 Mtg

6,5 Own 5/16 M now

Adverse Publicity + Genl Mkt. makes longer maturity Swing Line desirable for flexibility of at least 5/16 M

Tell Schaffer we need immediate availability on

80% coverage is typical many have 100%

Lou Dry

Copy is illegible
This is a traced copy

- S Lapley - 2
3/22/73
GW

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Dec 9 1963 NHS

G.S Gun Ian ...

[illegible] a load of [illegible] ...

Sunny [illegible] ...

Tom Burleigh ... [illegible] ...

80% Coverage ... [illegible] ...

Low Bar

BEST COPY AVAILABLE

Ex. F-81: Letter from Bruno to Lyman dated June 24, 1968.

1350a

June 24, 1968

Mr. Stuart A. Lyman, President
The Franklin Savings Bank in
the City of New York
8th Avenue at 42nd Street
New York, New York 10036

Dear Mr. Lyman:

On June 20 Governor Rockefeller signed Senate Bill No. 3473 amending the banking law relating to the investment powers of Savings Banks and State-Chartered Savings and Loan Associations. The essence of the Bill enabled Savings Banks under Section 235 Paragraph 12-a.(a) to invest in the commercial paper notes of any corporation organized under the laws of any state of the United States with maturities of 270 days or less.

Under this Bill such obligations are to receive the highest rating of an independent rating service to be designated by the State Banking Board.

Upon designation of the rating service by the Banking Board, we would like to make a complete presentation of Goldman, Sachs & Co.'s commercial paper services to you.

With kindest regards.

Sincerely,

Michael E. Bruno II

MEB:pd
bcc: RED FOLDER

Ex. F-83: Documents relating to purchase of Penn Central commercial paper by the Franklin Savings Bank on March 13, 1970.

THE FRANKLIN SAVINGS BANK

A

ORDER NO. 5036

DESCRIPTION		BROKER OR AGENCY	
Commercial Paper (Penn Central Co) mat. 6/15/70 yield 8.81%	RECEIVED ☐ PURCHASED ☒ SOLD ☐ REDEEMED ☐	Goldman Sachs & Co	TRANSACTION DATE Mar. 13, 1970 SETTLEMENT DATE Mar 13, 1970

~~SHARES~~ PAR VALUE	PRICE	PRINCIPAL	AC INTEREST	COM.	FED.	STATE	SEC	NET AMOUNT	BOOK VALUE ON	PREM/DISC TO	BOOK VALUE ON 3/13	PROFIT OR LOSS
1/2 Cr Ltr -	9/10		22 44 44					977 205 56			977 205 56	
	Federal Funds											

REMARKS

FRANKLIN SAVINGS BANK
APR 29 1970
AUDITING DEPT.

PREM. OR DISC. ADJUSTMENT

CUSTODY ACCOUNT

INSTR. DATE NO.

RECEIPT NO. FILED

DATE

CASH BOOK ENTRY MAR 1[illegible] 1970

PAGE 320

TO EXEC. COM.

OFFICER

J.V.V. Beck

6-701 P. S. B.

DIFES
FSB-3 ok
11/4/72 ok

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For Filing

THE FRANKLIN SAVINGS BANK in the CITY of NEW YORK
656 Eighth Avenue, New York, N. Y. 10036

Account No. 48

Reference No. 2668

Kindly RECEIVE for our custody account FROM GOLDMAN SACHS & CO.

Trade Date 3/13/70

Settlement Date 3/13/70

☐ RECEIVE FREE of payment

☐ RECEIVE FREE upon release of other securities described on Advice No. _____

☒ RECEIVE against payment as indicated below

Par Value or ~~Number of Shares~~	Security	Price	CHARGE our Demand Deposit Account
$1,000,000.00	Commercial Paper due 6/15/70 (Penn Central Co.)		$977,805.56

Original Mailed To:

SAVINGS BANKS TRUST COMPANY
200 PARK AVENUE
NEW YORK, N. Y. 10017

Regular Funds ☐

Federal Funds ☒

Authorized Signature

Authorized Signature

Remarks:

1353a

SAVINGS BANKS TRUST COMPANY

200 Park Avenue

New York, N. Y. 10017

R 64880

R64880

03/13/70

CUSTOMER'S REFERENCE TEL 3/13

S. B. T. CO. DEPOSITARY

CHEMICAL BANK NEW YORK TRUST CO.

Account Number 048 · 000 C 15845

THE FRANKLIN SAVINGS BANK
IN THE CITY OF NEW YORK
656 EIGHTH AVENUE
NEW YORK, NEW YORK 10036

We have DEBITED your DEMAND DEPOSIT ACCOUNT as follows:

SECURITIES RECEIVED FROM	SETTLEMENT DATE	AMOUNT CHARGED
GOLDMAN SACHS	03/13/70	$977,805.56FF

BONDS OR SHARES	DESCRIPTION
$1,000,000.	PENN CENTRAL CO. PROMISSORY NOTE DUE 6/15/70 PAYABLE WITHOUT INTEREST

Subsequent advice will be forwarded to you indicating deposit of security together with security number.

SAVINGS BANKS TRUST COMPANY

AUTHORIZED SIGNATURE

FORM T-31

GOLDMAN, SACHS & CO.
55 BROAD STREET • NEW YORK, N.Y. 10004 • 212-676-8000

1354a

March 13, 1970

Franklin Savings Bank
8TH Ave & 42nd St.
New York, N.Y.
Attn: Mr. Harry Bock.

Gentlemen:

We confirm purchase by you today of the following commercial paper:

$1,000,000.00	PENN CENTRAL TRANSPORTATION CO Maturity June 15, 1970	PHILADELPHIA, PA. @ 8 1/2%

Delivery — 3/13

☒ We have enclosed for your files financial information received by us from the company.

☐ We believe your files are complete on this name.

With appreciation for your order,

Very truly yours,

GOLDMAN, SACHS & CO.

BY:

Encls.

This material which is for your private information only, is based upon sources which we deem reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as so represented by us.

Ex. F-84A: Green sheet of Februry 18, 1970 on Penn Central.

This material, which is for your private information only, is based upon sources which we deem reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as so represented by us.

GOLDMAN, SACHS & CO.

PENN CENTRAL TRANSPORTATION COMPANY
(Formerly Penn Central Company)

1355a

PHILADELPHIA, PA.

We have been informed by the company that effective October 1, 1969 its name was changed from Penn Central Company to Penn Central Transportation Company under a plan of reorganization approved by stockholders in which the company became a wholly-owned subsidiary of a newly formed holding company, Penn Central Company.

On December 17, 1969 Pennsylvania Company, a wholly-owned subsidiary of Penn Central Transportation Company, offered for sale through a group of underwriters $50,000,000, 9% Sinking Fund Debentures due 1994. As a sinking fund, the company will pay on each December 1, commencing in 1979, an amount sufficient to redeem 6.25% of the aggregate principal amount of the Debentures outstanding on April 15, 1979. The net proceeds from the sale will be made available to Penn Central Transportation Company to reimburse its treasury for past capital expenditures and payments of debt maturities.

We have been informed that Penn Central Company reported consolidated revenues in 1969 of $2,251,716,000 and consolidated earnings, on a preliminary basis, of $4,388,000 as compared with $2,102,770,000 and $86,961,000, respectively, in 1968. Railroad operations of Penn Central Transportation Company produced an operating loss of $6,328,000 during 1969 as compared with a $5,155,000 loss in 1968. The 1968 figures do not include $22,300,000 of losses reported by the New York, New Haven and Hartford Railroad. Non-railroad operations of Penn Central Transportation Company and its subsidiaries produced the consolidated profit for 1969. Penn Central Transportation Company's principal non-railroad subsidiaries, Arvida Corporation, Buckeye Pipe Line Company and Great Southwest Corporation contributed $53,435,000 toward 1969 earnings compared with $44,203,000 in 1968.

The 1969 consolidated earnings do not reflect a $126,000,000 write off of the company's investment in equipment facilities and terminals being used for long-haul passenger service west of Harrisburg, Pa. and Albany, N. Y.

February 18, 1970

Ex. F-88: Documents relating to Purchase of Penn Central commercial paper on March 16, 1970.

THE FRANKLIN SAVINGS BANK

C

ORDER NO. 5039

DESCRIPTION		BROKER OR AGENCY	
Commercial Paper C (Penn Central Co) mat. 6/26/70 yield 8.83	RECEIVED ☐ PURCHASED ☒ SOLD ☐ REDEEMED ☐	Goldman Sachs & Co	TRANSACTION DATE Mar. 16, 1970 SETTLEMENT DATE Mar. 16, 1970

~~SHARES~~ PAR VALUE	PRICE	PRINCIPAL	INTEREST	COM.	FED.	STATE	SEC	NET AMOUNT	BOOK VALUE ON	PREM/DISC TO	BOOK VALUE ON 3/16	PROFIT OR LOSS
500M	8½ 70		12047					427358 33			427358 33	
		Federal Funds										

FRANKLIN SAVINGS BANK
APR 29 1970
AUDITING DEPT.

REMARKS

PREM. OR DISC. ADJUSTMENT

P GS
SD-8 RC
4/72 RR

Ladep Mw

CUSTODY ACCOUNT

INSTR. DATE NO.

RECEIPT NO. FILED

DATE

CASH BOOK ENTRY MAR 16 1970

PAGE 321

TO EXEC. COM.

OFFICER

T.J.V Bock

G-761 P. & S.

1356a

1357a

For Filing

THE FRANKLIN SAVINGS BANK in the CITY of NEW YORK
656 Eighth Avenue, New York, N. Y. 10036

Account No. 48

Reference No. 266

Kindly RECEIVE for our custody account FROM GOLDMAN SACHS & CO.

Trade Date 3/16/70

Settlement Date 3/16/70

☐ RECEIVE FREE of payment

☐ RECEIVE FREE upon release of other securities described on Advice No. _____

☒ RECEIVE against payment as indicated below

Par Value or ~~Number of Shares~~	Security	Price	CHARGE our Demand Deposit Account
$500,000.00	Commercial Paper due 6/26/70 (Penn Central)		$487,958.33

Original Mailed To:

SAVINGS BANKS TRUST COMPANY
200 PARK AVENUE
NEW YORK, N. Y. 10017

Regular Funds ☐

Federal Funds ☒

Authorized Signature

Authorized Signature

Remarks:

SAVINGS BANKS TRUST COMPANY

200 Park Avenue
New York, N. Y. 10017

R 64383

R64383

03/16/70

CUSTOMER'S REFERENCE TEL 3/16

S. B. T. CO. DEPOSITARY

CHEMICAL BANK NEW YORK TRUST CO.

Account Number 048 000 C 15845

THE FRANKLIN SAVINGS BANK
IN THE CITY OF NEW YORK
656 EIGHTH AVENUE
NEW YORK, NEW YORK 10036

We have today RECEIVED for your CUSTODY ACCOUNT the following:

SECURITIES RECEIVED FROM	SETTLEMENT DATE	AMOUNT
GOLDMAN SACHS	03/16/70	$487,958.33FF

BONDS OR SHARES	DESCRIPTION
$500,000.	PENN CENTRAL CORP. PROMISSORY NOTE DUE 6/26/70 PAYABLE WITHOUT INTEREST

RECEIPT
NOT NEGOTIABLE

SAVINGS BANKS TRUST COMPANY

R. Brown

AUTHORIZED SIGNATURE

FORM T-31

1359a

SAVINGS BANKS TRUST COMPANY
200 Park Avenue
New York, N. Y. 10017

R 64383

R64383

03/16/70

CUSTOMER'S REFERENCE TEL 3/16

S. B. T. CO. DEPOSITARY

CHEMICAL BANK NEW YORK TRUST CO.

Account Number 048 000 C 15845

THE FRANKLIN SAVINGS BANK
IN THE CITY OF NEW YORK
656 EIGHTH AVENUE
NEW YORK, NEW YORK 10036

We have DEBITED your DEMAND DEPOSIT ACCOUNT as follows:

SECURITIES RECEIVED FROM	SETTLEMENT DATE	AMOUNT CHARGED
GOLDMAN SACHS	03/16/70	$487,958.33FF

BONDS OR SHARES	DESCRIPTION
$500,000.	PENN CENTRAL CORP. PROMISSORY NOTE DUE 6/26/70 PAYABLE WITHOUT INTEREST

Subsequent advice will be forwarded to you indicating deposit of security together with security number.

SAVINGS BANKS TRUST COMPANY

AUTHORIZED SIGNATURE

GOLDMAN, SACHS & CO.

55 BROAD STREET • NEW YORK, N.Y. 10004 • 212-676-8000

1360a

March 16, 1970

+Franklin Savings Bank
8th Ave. & 42nd St.
New York, N. Y.
Attn: Mr. Harry Bock, President

Gentlemen:

We confirm purchase by you today of the following commercial paper:

$500,000.00	PENN CENTRAL TRANSPORTATION COMPANY Maturity June 26, 1970	PHILADELPHIA, PA. @ 8 1/2%

Delivery – 3/16

☒ We have enclosed for your files financial information received by us from the company.

☐ We believe your files are complete on this name.

With appreciation for your order,

Very truly yours,

GOLDMAN, SACHS & CO.

Encls.

BY: C. H. Duffy

This material which is for your private information only, is based upon sources which we deem reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as so represented by us.

Ex. F-89: Penn Central note dated March 16, 1970 and return statement of Morgan Guaranty Trust Company.



Penn Central Transportation Company has filed a petition for reorganization under Section 77 of the Bankruptcy Act, and the District Court of the United States for the Eastern District of Pennsylvania on June 21,1970 issued an order approving such petition as properly filed and, among other things, providing that until further order by the Court "no payment shall be made by the Debtor upon or in respect of the principal of, or interest on, any of its funded or floating debt, except the principal of, and interest or dividends on, equipment obligations issued, guaranteed or assumed by the Debtor". Accordingly, the attached matured note, which was presented to us as Paying Agent for Penn Central Transportation Company, is returned to you unpaid.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
PAYING AGENT

$ 500,000.-

No. 789

PENN CENTRAL TRANSPORTATION COMPANY
PHILADELPHIA, PENNSYLVANIA

ON JUNE 26, 1970 DATE MARCH 16, 1970

PENN CENTRAL TRANSPORTATION COMPANY PROMISES TO PAY TO THE ORDER OF BEARER

FIVE HUNDRED THOUSAND ------- DOLLARS

PAYABLE AT MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 23 WALL STREET, NEW YORK, N. Y.
VALUE RECEIVED: NOT VALID UNLESS COUNTERSIGNED BY MORGAN GUARANTY TRUST COMPANY OF NEW YORK, AS ISSUING AGENT.

COUNTERSIGNED FOR AUTHENTICATION ONLY:
MORGAN GUARANTY TRUST COMPANY OF NEW YORK, AS ISSUING AGENT.

AUTHORIZED SIGNATURE

PENN CENTRAL TRANSPORTATION COMPANY,
BY

AUTHORIZED SIGNATURE

1361a

BEST COPY AVAILABLE

Penn Central Transportation Company has filed a petition for reorganization under Section 77 of the Bankruptcy Act, and the District Court of the United States for the Eastern District of Pennsylvania on June 21,1970 issued an order approving such petition as properly filed and, among other things, providing that until further order by the Court "no payment shall be made by the Debtor upon or in respect of the principal of, or interest on, any of its funded or floating debt, except the principal of, and interest or dividends on, equipment obligations issued, guaranteed or assumed by the Debtor". Accordingly, the attached matured note, which was presented to us as Paying Agent for Penn Central Transportation Company, is returned to you unpaid.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
PAYING AGENT

Please Credit Guaranty Trust

1362a

Ex. F-91: Memorandum dated September 6, 1969 by Bruno.

FRANKLIN SAVINGS BANK NEW YORK, NEW YORK

September 6, 1966

Harry Bock, Vice President & Secretary called me today to check on commercial paper rates. The Franklin Savings Bank purchased $500,000 Houston Natural Gas to mature on December 5 reflecting the first commercial paper investment by this institution. Harry said that he will have $2MM to put into the market some time next week and that he will call me concerning it. I have been calling Harry quite frequently in determining his interest in commercial paper and he said that GS&Co. had first crack at their portfolio.

cc: RGW, RED FOLDER

MICHAEL F. BRUNO II

Ex. F-92: Memorandum dated September 26, 1969 by Bruno.

FRANKLIN SAVINGS BANK — NEW YORK CITY

September 26, 1968

During my vacation Harry Bock, Vice President called and purchased $1,500,000 commercial paper to mature in December 1968. Harry called yesterday and purchased $2MM more representing outstandings of $4M1 in commercial paper. These sales represent all the outstanding commercial paper in the Franklin short-term portfolio. On September 25 Harry came down to visit our offices at which time I took him to lunch. He was most impressed with the GS&Co. operation and feels that he made a good choice in choosing his commercial paper dealer.

cc: RGW, RED FOLDER

MICHAEL E. BRUNO II

Ex. F-93: Portion of Computer run of Goldman, Sachs' daily transactions in commercial paper of Penn Central Transportation Co. (CU); legend and portion showing transactions on March 13 and March 16, 1970.

LEGEND FOR
GOLDMAN, SACHS & CO.
COMMERCIAL PAPER DAILY TRANSACTIONS
FROM 7/31/68 to 12/31/70
ADMITTED AS F-93
(also referred to as defendants' Exhibit CU)

Code No.	Explanation
0100	Purchase by Goldman, Sachs (generates maturity entry (1800))
0106	Prepayment by Company to Holder (generates negative maturity entry (1806))
0109	Returns to Company (generates negative maturity entry (1809))
0118	Collection (Goldman, Sachs holds in inventory and collects at maturity)
0200	Sale by Goldman, Sachs
0203	Buy Back from Holder by Goldman, Sachs
1800	Maturity
1806	Negative maturity (displayed on original maturity date and reflects that this item was prepaid)
1809	Negative maturity (displayed on original maturity date and reflects that this item was returned to Company)

ISSUER/ DATE	AMOUNT	DISC. DATE	MAT. DATE	BUY RATE	SELL RATE	REF #	INVESTOR	CODE
PENN CENTRAL TRANSPORTATION								
3/13/70	1,000,000	3/13/70	6/15/70	8.625		103512		0100
3/13/70	1,250,000	3/13/70	7/10/70	8.875		103440		0100
* TOTAL PURCHASES				$2,250,000		2 *		
3/13/70	1,000,000	3/13/70	6/15/70	8.625	8.50	010662	FRANKLIN SAVINGS BANK	71-51452-3 0200
3/13/70	1,250,000	3/13/70	7/10/70	8.875	8.75	010687	BANK OF NEW YORK	71-46193-3 0200
3/13/70	300,000	3/13/70	9/25/70	8.75	8.50	010770	FIRST SECURITY NATIONAL BANK	71-87250-4 0200
3/13/70	1,000,000	3/13/70	9/25/70	8.75	8.50	010810	OLYMPIA BREWING CO.	71-37342-5 0200
* TOTAL SALES				$3,550,000		4 *		
3/13/70	2,750,000	3/13/70	9/25/70	8.75	8.75	010828	FLETCHER JONES	71-32432-5 0203
* TOTAL BUY-BACKS				$2,750,000		1 *		
3/13/70	500,000	2/13/70	3/13/70	8.75	8.75	201690		1800
* TOTAL MATURITIES				$500,000		1 *		
*** INVENTORY	$4,700,000	***				*** OUTSTANDINGS	$194,575,000 ***	
	$3,250,000	DUE 5/07/70						
		DUE 6/15/70	SOLD OUT					
		DUE 7/10/70	SOLD OUT					
	$1,450,000	DUE 9/25/70	NEXT ACTIVITY AGAINST THIS MATURITY ON 3/16/70					

ISSUER/ DATE	AMOUNT	DISC. DATE	MAT. DATE	BUY RATE	SELL RATE	REF #	INVESTOR	CODE
PENN CENTRAL TRANSPORTATION								
3/10/70	5,000,000	3/16/70	4/17/70	8.625		103595		0100
3/10/70	300,000	3/16/70	4/23/70	8.625		203784		0100
3/10/70	400,000	3/16/70	5/18/70	8.625		203832		0100
3/10/70	1,000,000	3/16/70	5/26/70	8.625		103612		0100
3/16/70	500,000	3/16/70	6/26/70	8.625		203785		0100
3/10/70	300,000	3/16/70	6/30/70	8.625		203827		0100
3/10/70	2,000,000	3/16/70	9/30/70	8.625		103592		0100
* TOTAL PURCHASES				$9,500,000		7 *		
3/16/70	5,000,000	3/16/70	4/17/70	8.625	8.50	010874	PUTNAM GROWTH FUND	71-15965-1 0200
3/10/70	300,000	3/16/70	4/23/70	8.625	8.50	011013	MELLON NATIONAL BANK&TRUST CO.	71-57356-3 0200
3/16/70	1,000,000	3/16/70	5/26/70	8.625	8.50	010956	FIRST NATIONAL BANK OF TULSA	71-73526-4 0200
3/10/70	500,000	3/16/70	6/26/70	8.625	8.50	010942	FRANKLIN SAVINGS BANK	71-51452-3 0200
3/16/70	300,000	3/16/70	6/30/70	8.625	8.50	011012	NATIONAL BANK OF NORTH AMERICA	71-58348-3 0200
3/10/70	600,000	3/16/70	9/25/70	8.75	8.50	011079	UNION BANK	71-42364-5 0200
3/16/70	2,000,000	3/16/70	9/30/70	8.625	8.50	010935	MARINE MIDLAND GRACE TRUST CO.	71-52140-3 0200
* TOTAL SALES				$9,700,000		7 *		

1367

R1007A

ISSUE/ DATE	AMOUNT	DISC. DATE	MAT. DATE	BUY RATE	SELL RATE	REF #	INVESTOR	CODE
PENN CENTRAL TRANSPORTATION								
3/16/70	400,000	1/14/70	3/16/70	8.625	8.50	005537		1800
3/16/70	700,000	12/12/69	3/16/70	8.625	8.50	086648		1800
3/16/70	300,000	12/22/69	3/16/70	8.625	8.50	088465		1800
3/16/70	1,000,000	12/31/69	3/16/70	8.625	8.50	090453		1800
3/16/70	400,000	1/20/70	3/16/70	8.625	8.50	100[illegible]5		1800
3/16/70	1,700,000	1/22/70	3/16/70	8.625	8.50	200285		1600
3/16/70	5,000,000	2/16/70	3/16/70	8.625	8.50	201755		1600

* TOTAL MATURITIES $9,500,000 7 *

*** INVENTORY $4,500,000 *** *** OUTSTANDINGS $194,575,000 ***

DUE 4/17/70 SOLD OUT

DUE 4/23/70 SOLD OUT

$3,250,000 DUE 5/07/70

$400,000 DUE 5/18/70 NEXT ACTIVITY AGAINST THIS MATURITY ON 3/18/70

DUE 5/26/70 SOLD OUT

DUE 6/26/70 SOLD OUT

DUE 6/30/70 SOLD OUT

[illegible] DUE 9/25/70 NEXT ACTIVITY AGAINST THIS MATURITY ON 3/19/70

DUE 9/30/70 SOLD OUT

EXCT

Ex. F-95: Portion of list of Goldman, Sachs' largest inventory positions in commercial paper, by day; portion showing positions for January 22 to February 5, 1970.

MCM CH

Top Ten 1/22/70

Penn Central	15120	12900 (1)
Texas Eastern Trans	9750	8250 (3)
Dow Chemical	9700	10150 (2)
Burroughs Corp	6800	6500 (6)
ITCO Corp	6000	3000
May Dept Stores	6000	8500 (4)
General Cable	5500	3300
Fairchild Corp	5450	6050 (7)
Signal Companies	5000	6000 (8)
Georgia Power	4700	5000
Bowmar Inc		5600 (10)
GAF Corp		4500
Del Monte		6000 (9)
Leasco Industries		4500
Disney		4500
	76520	
	39%	
Whirlpool		7500 (5)

Top Ten	1/22/70	
Penn Central	18120	12970(1)
Texas Eastern Trans.	9750	8950(3)
Dow Chemical	9200	10150(2)
Burroughs Corp	6800	6500(6)
AVCO Corp	6000	3000
May Dept Stores	6000	8500(4)
General Cable	5500	2000
Fruehauf Corp	5450	6050(7)
Signal Companies	5000	6000(8)
Georgia Power	4700	5000
Potomac Elec		5600(10)
GAF Corp		4500
Del Monte		6000(9)
Schenley Industries		4500
Seagram		4500
	76520	
	39%	
Whirlpool		7500(5)

. . . .

Of Ten	1/23/76	
Penn Central	12-7/8	(1) 16570
Dow Chemical	10 150	(2) 13250
Texas Eastern Trans.	5950	(7) 6250
May Dept Stores	8500	4000
Whirlpool Corp	7500	4500
Baracughis	6500	(8) 5850
Ruchaut Corp	6050	(6) 6750
Signal Companies	6000	3500
Del Monte	6000	(5) 7750
Potomac Electric Power	5000	(4) 8600
AVCO		(10) 5000
Schenley		(10) 5000
Joseph E Seagram		(3) 9500
Penn Road Financial		(9) 5665
	78220	
	39%	

Top Ten	1/23/70	
Penn Central	12970	(1)16570
Dow Chemical	10150	(2)13250
Texas Eastern Trans	8950	(7) 6350
May Dept Stores	8500	4000
Whirlpool Corp	7500	4500
Burroughs	6500	(8) 5850
Fruehauf Corp	6050	(6) 6750
Signal Companies	6000	3500
Del Monte	6000	(5) 7750
Potomac Electric Power	5600	(4) 8600
AVCO		(10) 5000
Schenley		(10) 5000
Joseph E. Seagram		(3) 9500
Sperry Rand Financial		(9) 5665
	78220	
	39%	

Tot Ten 1/26/70

Penn Central	10570	17300 (1)
Dow Chemical	13250	10000 (2)
Joseph E. Seagram	9500	9500 (3)
Potomac Electric Power	5000	8100 (6)
Del Monte	7750	5000 (10)
Fruehauf Corp	6750	6500 (7)
Texas Eastern Transmission	6350	2000
Bunker Hughes	5850	4850
Sperry Rand Financial	5565	7165 (4)
AVCO	5000	4700
Avery	5000	
[illegible]		4200
Gimbel Bros		5100 (8)
[illegible] Dept Stores Co		5000 (9)
	90785	
	1/4%	
Raytheon		9100 (5)

Top Ten	1/26/70	
Penn Central	16570	17370(1)
Dow Chemical	13250	10000(2)
Joseph E. Seagram	9500	9500(3)
Potomac Electric Power	8600	8100(6)
Del Monte	7750	5000(10)
Fruehauf Corp.	6750	6500(7)
Texas Eastern Transmission	6350	2000
Burroughs	5850	4850
Sperry Rand Financial	5665	9165(4)
AVCO	5000	4700
Schenley	5000	
GAF		4500
Gimbel Bros		5100(8)
May Dept Store Co		5000(9)
	90285	
	44%	
Raytheon		9000(5)

TOP TEN 1/27/70

PENN CENTRAL	6000 B.B.	~~14370~~ 11370	(3) 11538
DOW CHEMICAL		10000	(6) 7700
JOSEPH E. SEAGRAM		9500	(2) 9200
SPERRY RAND FINANCIAL		9165	(5) 8165
RAYTHEON		9000	(4) 8750
PETROLANE ELECTRIC POWER		8100	(10) 5500
FRUEHAUF CORP.		6500	(7) 7700
FIORBEL BROS		5100	5100
MAY DEPT STORES		5000	(9) 5850
DEL ELECTR		5000	4100
[illegible]			(8) 5250
INTERNATIONAL PAPER			(1) 16500
[illegible]			5250
[illegible] Company		~~34735~~	(3) 7500
		78735	
		~~47%~~	
		40%	

Top Ten	1/27/70	
		12520
Penn Central 6000 B.B.	~~17378~~	(2) ~~11378~~
Dow Chemical	10000	(6) 7700
Joseph E. Seagram	9500	(3) 9200
Sperry Rand Financial	9165	(5) 8165
Raytheon	9000	(4) 8750
Potomac Electric Power	8100	(10) 5500
Fruehauf Corp	6500	(7) 7700
Gimbel Bros	5100	5100
May Dept Stores	5000	(9) 5850
Del Monte	5000	4100
AVCO		5250
International Paper		(1) 16500
Schenley		5200
Signal Companies		(8) 7500
	~~84735~~	
	78735	
	~~42%~~	
	40%	

. . . .

Top Ten

1/28/70

International Paper	16500	(1) 16000
Penn Central Transportation	17520	(5) 10120
Joseph E Seagram	9200	(9) 10200
Raytheon	8750	(2) 12500
Sperry Rand Financial	8165	(15) 6765
Dow Chemical	7700	6000
Fairchild	7700	3100
Signal Companies	7500	(4) 8900
Macy Dept Stores Co.	504	(3) 11500
Potomac Electric Power	5500	5500
AVCO		5250
Int Harvester		4000
Xerox		(6) 7000
Control Data		(9) 7000
		93385
Litton		5950
G D Searle		(7) 8000
		48%

Top Ten	1/28/70	
International Paper	16500	(1)16000
Penn Central Transportation	12520	(5)10120
Joseph E. Seagram	9200	(4)10200
Raytheon	8750	(2)12500
Sperry Rand Financial	8165	(10) 6765
Dow Chemical	7700	6000
Fruehauf	7700	3100
Signal Companies	7500	(6) 8900
May Dept Stores Co	5850	(3)11500
Potomac Electric Power	5500	5500
AVCO		5250
Del Monte		6000
Genesco		(8) 7000
Gimbel Bros		(9) 7000
	89385	
Schenley		5950
G. D. Searle		(7) 8000
	48%	

1/20/70

1. Technical Paper	16000	(1) 15000
Raytheon	12500	(3) 12500
May Dept Stores	11500	(5) 9750
Joseph E. Seagram	10200	(4) 11200
Penn Central Transportation	12120	(2) 13710
Signal Companies	8900	(7) 8400
G. D. Searle	8000	4500
Syntex	7000	(6) 7000
Control Data	7000	(10) 7000
Standard Oil Financial	6165	11800
RVCO		(8) 8750
[illegible]		[illegible]
[illegible]		4300
Dana Corp		11000
Standard Oil		6000
Del Monte		5000
[illegible]		6000
	77915	
	45%	
Hewlett [illegible]		4200
Schering		(9) 7710
Texas Instruments		11425
		150 210

Top Ten	1/29/70	
International Paper	16000	(1)15000
Raytheon	12500	(3)12500
May Dept Stores	11500	(5) 9750
Joseph E. Seagram	10200	(4)11200
Penn Central Transportation	10120	(2)13710
Signal Companies	8900	(7) 8400
G. D. Searle	8000	4500
Genesco	7000	(9) 7000
Gimbel Bros	7000	(10) 7000
Sperry Rand Financial	6765	4800
AVCO		(6) 8750
Bendix		4400
Burroughs		4300
Amer Stand		4000
Cluett Peabody		6000
Del Monte		5500
Dow Chemical		6000
	97,985	
	45%	
Fruehauf		5500
Schenley		(8) 7850
Texas Eastern		4050
		150210

Top Ten

1/30/70

International Paper	15000 (3) 9000
Pan Central Trans. p. R. Tr. Co.	~~13910~~ 5110 (5) 7910
Ray Theon	12500 (1) 10400
Joseph E. Seagram	11200 (4) 9200
Duty Dept Stores	9750 (2) 9450
RCA Corp	6750 (2) 9450
Signal Companies	8400 (8) 7500
Sharon Corp	7850 (11) 4600
[illegible]	7000 (9) [illegible]
Crucible Steel	[illegible] (10) [illegible]
Boeing Company	(13) [illegible]
[illegible]	(12) 4200
[illegible]	(1) [illegible]
[illegible]	(14) [illegible]
[illegible]	(15) [illegible]
[illegible]	(16) [illegible]
[illegible]	(17) [illegible]
Penn Central	(18) [illegible]
Sperry Rand Corporation	(19) 11450
	104150
	76150
	27 30/70
Texas Gulf Sulphur	(15) 1650
Texas Gulf Prod. Co.	(3) 4500
Climax	(17) 4100
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

BEST COPY AVAILABLE

Top Ten	1/30/70	
International Paper	15000	(5) 9000
5000 R.T.C.	8710	
Penn Central Transportation	~~13710~~	(6) 7910
Raytheon	12500	(1) 10400
Joseph E. Seagram	11200	(4) 9200
May Dept Stores	9750	(3) 9450
AVCO Corp	8750	(2) 9550
Signal Companies	8400	(8) 7500
Schenley	7850	(17) 4600
Genesco	7000	(9) 6500
Gimbel Bros	7000	(10) 6000
Borg Warner		(13) 5000
Burroughs		(20) 4300
Cluett Peabody		(7) 7850
Del Monte		(15) 4750
Dow Chemical		(12) 5500
Fruehauf		(11) 5550
Monsanto		(10) 6000
Sperry Rand Financial		(14) 4950
	~~101160~~	
	96160	
	43%	
Texas Eastern		(16) 4650
Trunkline Gas		(18) 4500
UMM		(19) 4500
	~~155270~~	
	145210	
	67%	

Top Ten

2/2/70

May Dept Stores Co.	12350
[illegible]	10500
[illegible] Continental Transportation	10010
[illegible] Companies	9600
ITEC Corp	8750
[illegible] International Paper	8500
[illegible] Beverly	7750
Joseph E. Seagram	7700
[illegible] Bros.	6000
[illegible] Textron Pfd Conv	5950
	86500
	30%

[illegible] Cable	5250
[illegible] Inc	5200
[illegible] Corp	5100
[illegible]	5000
[illegible] International	4950
[illegible] Stores	4750
[illegible] Line Cos	4500
[illegible] Eastern Transmission	4250
Dow Chemical	4000
Zale Corp	4000
	47250
	133010
	54%

Top Ten	2/2/70
May Dept Stores Co.	12350
Genesco	10500
Penn Central Transportion	10010
Signal Companies	9600
AVCO Corp	8750
International Paper	8000
Cluett Peabody	7750
Joseph E. Seagram	7700
Gimbel Bros	6000
Goodyear Tire & Rubber	5400
	86060
	38%
General Cable	5250
Fruehauf	5200
Raytheon	5100
Monsanto	5000
Sperry Rand Financial	4900
Del Monte	4750
Trunkline Gas	4500
Texas Eastern Transmission	4250
Dow Chemical	4000
Zale Corp	4000
	133010
	59%

Top Ten

2-12-76

Bay Meadows
Dyce Corp
Macy Dept Stores
Joseph E Seagram
International Paper
Penn Central Transportation
Shearson Hamblin & Co.
Signal Companies
Genesco
Gimbel Bros
Monsanto

10400 (11) 5100
9550 (5) 8050
9450 (1) 12350
9200 (2) 7700
9000 (6) 8000
7950 (4) 10010
7850 (7) 7750
7500 (4) 9600
6500 (3) 10500
6000 (9) 6000
6000 (14) 5000

Lockheed
Dow Chemical
Boeing Company
Sperry Rand Financial
Le Tourneau
Trans Continental Transmission
Schenley
Franklin Corp
U.S.I.
Burroughs
Standard Oil
Goodyear
Exxon

5550 (17) 3750
5500 (19)
5000
4950 (18) 4700
4750 (16) 4450
4650 (3) 4250
4600 1600
4500 (17) 4500
4500 3750
4300
13,766 (11)
(12)
60% (5) 1000

Top Ten	2/2/70	
Raytheon	10400	(17) 5100
AVCO Corp	9550	(5) 8750
May Dept Stores	9450	(1)12350
Joseph E. Seagram	9200	(8) 7700
International Paper	9000	(6) 8000
Penn Central Transportation	7910	(2)10010
Cluett Peabody & Co	7850	(7) 7750
Signal Companies	7500	(4) 9600
Genesco	6500	(2)10500
Gimbel Bros	6000	(9) 6000
Monsanto	6000	(14) 5000
	89360	
	39%	
Fruehauf	5550	(12) 5200
Dow Chemical	5500	(19) 4000
Borg Warner	5000	2000
Sperry Rand Financial	4950	(15) 4900
Del Monte	4750	(16) 4750
Texas Eastern Transmission	4650	(18) 4250
Schenley	4600	1600
Trunkline Gas	4500	(17) 4500
U.M.M.	4500	3750
Burroughs	4300	3550
General Cable		(11) 5250
	137660	
Goodyear		(10) 5400
Zale		(20) 4000
	60%	

	Top 12. 2/4	
①	Penn Central Transp.	15.810
②	Mary Dept. Stores C	12.100
③	Signal Companies	12.000
④	Gannett Inc	10.250
⑤	Avco Corp	8750
⑥	Conrail Railway	8750
⑦	Fruehauf Corp	8500
⑧	Southern Railway Co	8000
⑨	Michigan Bell Tel	7500
⑩	[illegible]	[illegible]

Top Ten		2/4
1.	Penn Central Transp.	15,810
2.	May Dept Stores Co.	12,100
3.	Signal Companies	12,000
4.	Genesco Inc.	10,250
5.	Avco Corp	8,750
6.	Cluett Peabody	8,750
7.	Fruehauf Corp	8,500
8.	International Paper	8,000
9.	Michigan Bell Tel	7,300
10.	Joseph E. Seagram	7,450

Top Ten 5

1 Ace Corp - 13,550
2 Seneca - 12,250.
3 May Dept Stores - 11.900
4 Fruehauf Corp. - 11.300.
5 Signal Co's. - 11,000.
6 Sperry Rand Corp - 9.300
7 Cluett Peabody & Co. - 8,750.
8 Tex Eastern Trans - 7.700
9 Jos Seagrams & Sons - 7.200
10 ~~Mobil Oil Corp - 7100~~

Penn Central. 10.920

Top Ten		2/5
1.	Avco Corp	- 13,550
2.	Genesco	- 12,250
3.	May Dept Stores	- 11,900
4.	Fruehauf Corp	- 11,300
5.	Signal Cos.	- 11,000
6.	Sperry Rand Fin	- 9,300
7.	Cluett Peabody & Co.	- 8,750
8.	Tex Eastern Trans	- 7,700
9.	Jos. Seagrams & Sons	- 7,200
~~10.~~	~~Mich Bell Tele Co~~	~~7,100~~

Penn Central - 10,920

B. DEFENDANTS' EXHIBITS

Ex. AD: **Memorandum of February 5, 1970 on Pennsylvania Company and Penn Central Company by Edward A. Jones of Manufacturers Hanover Trust Company.**

Bond

Mellon

February 5, 1970 -- A meeting called by the Penn Central was held at First National City Bank. Representing the Penn Central Company were Dave Bevan, Chairman of the Finance Committee, Jon O'Herron, Vice President-Finance, John Shaffer, Treasurer, Charlie Hill, Vice President-Controller, and Bob Lodder, Assistant Vice President. The banks represented at the meeting were First National City (Pat Bowditch), Chemical, Irving Trust and MHTCo. The purpose of the meeting was twofold: to discuss the operations of the Penn Central past and future and to request an additional $50 million in loans to be borrowed by the Pennsylvania Company (Pennco).

Financial Requirements: The Penn Central system forecasts the need for $165 million in capital expenditures during 1970. Plans are to raise the money as follows: a $100 million debenture issue of Pennco with warrants attached for the purchase of $50 million Great Southwest common stock and $50 million Penn Central common stock. An additional $50 million will be raised later in the year by a method yet to be determined. However, the company feels they have a number of options open to them. The additional $10 to $15 million needed would be raised through the sale of commercial paper. Timing calls for the $100 million Pennco debenture to be ready for sale, either publicly or privately depending upon market conditions, within 60 to 120 days. First Boston Corporation and Glore Forgan are heading this underwriting. Bevan believes that the underwriting will be well received in light of the warrants attached. However, the company has an immediate need for $50 million which they would like to borrow from the banks between now and the middle of March. These loans will then be fully paid out from the proceeds of the debenture sale.

There was no indication given during the meeting as to what the reaction of the various banks would be to this request. However, following the meeting, Pat Bowditch indicated privately to Paul Hanna and me that he would suggest that the company seek the fund in the Eurodollar market. We can expect to hear from Bowditch on Tuesday or Wednesday as to the company's reaction to his suggestion.

Bevan also outlined additional financing plans for the railroad which would involve the bank revolving credit. The Pittsburgh and Lake Erie Railroad has no bonded debt on its balance sheet. Bevan is contemplating the sale of $50 to $100 million of such debt some time during 1970. The proceeds would be used to prepay the first and second years' installments under the term portion of the revolving credit. His goal is to reduce the outstandings under the revolving credit as much as possible and as quickly as possible. He also intends to reduce commercial paper outstandings. The blanket mortgage which has been discussed in the

past is still being worked on. However, they see little possibilities for this until such time as the railroad's operations improve and market conditions become more favorable.

Operations: Mr. Bevan discussed at some length the operations of the company for the past year. The company's problems still stem largely from the merger. He thought the major problems rested in two areas, accounting and data processing. Problems in these areas contributed to poor car utilization, substantial overtime pay and a substantial increase in per diem expense. Bevan, however, did cite what he thought would be indications of improvement. He believes that their service, particularly in the freight area, is now competitive in that they are making progress in regaining lost traffic. Their per diem expense, although still substantial, was $6 1/2 million less during 1969 than versus 1968. The railroad reduced its payroll by 4,500 people during 1969 and expects to eliminate an additional 6,000 people during 1970. At $10,000 salary per person this would mean a savings of $60 million on an annual basis. Additional personnel changes will be made, including a reorganization of the Sales Department and Bevan feels that even given the short time that he has been on the job, Paul Gorman has proved his worth to the company.

The railroad took a $126 million write off representing a reduction to salvage value of their long haul passenger assets. This was done with the approval of Peat Marwick. There are no immediate tax consequences on this write off but the reduction will reduce depreciation by approximately $4.7 million per year. Receivables continue to be a problem in that they are running 15 1/2 business days. Under regulations, freight bills are not supposed to run longer than 5 business days, however, this has never been adhered to in the industry. Eight days would be considered good and the company is exercising efforts to reduce their high receivables.

During 1969 virtually all of the diversified subsidiaries showed significant growth. They expect this trend to continue into 1970. Senior management of the railroad is also optimistic about obtaining favorable reaction out of Washington for their commuter passenger service. The Penn Central carries 35% of all passenger service in the country and they are estimating that

February 5, 1970 -- Continued

they will receive approximately $18 million in subsidies during the year. However, they feel that the amount is not as significant as the fact that the door will be open for additional subsidies of substantially higher amounts. These subsidy payments have not been included in the company's cash flow forecasts for the year. We were provided with a sources and application of funds for the transportation company for the past year and their estimates for 1970. This material is included in the file. The transportation company's forecast of operations for 1970 calls for operating revenues of $1,856 million and a net loss of nearly $56 million, slightly below the operating loss for 1969. On a fully consolidated basis, however, the Penn Central is expected to show profits for the year. Another significant point brought out in the sources and applications of funds for the transportation company is the reduction of cash during the year 1970 of $23 million leaving a forecasted cash balance at year end of only $50 million.

Edward A. Jones:mc

Ex. AZ: Penn Central Company 1970 Financial Plan, March 9, 1970.

PENN CENTRAL COMPANY

1970 Financial Plan

Dollars in Thousands

( ) - Unfavorable

	CONSOLIDATED RESULTS	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
1	Net Earnings of Subsidiaries	$ 21,078	$ 23,428	$ 22,384	$ 56,366	$ 123,256
2	Reported Ordinary Earnings of P.C.T.	(49,198)	(21,369)	(4,026)	18,606	(56,987)
3	Less: Sub Dividends to P.C.T.	8,704	8,632	7,878	7,931	33,145
4	CONSOLIDATED ORDINARY EARNINGS	(36,824)	(6,573)	10,480	67,041	34,124
5	Per Share	$ (1.52)	$ (.27)	$ .43	$ 2.78	$ 1.42
	PENN CENTRAL TRANSPORTATION CO.					
	RAILROAD OPERATIONS					
6	Operating Revenues	$ 423,750	$ 459,875	$ 472,750	$ 499,225	$ 1,855,600
7	Operating Costs	460,847	468,056	462,092	470,610	1,861,605
8	Operating Income	(37,097)	(8,181)	10,658	28,615	(6,005)
9	Other Charges - Net	37,234	39,198	39,421	36,908	152,761
10	Total Rail Earnings	(74,331)	(47,379)	(28,763)	(10,293)	(160,766)
	OTHER OPERATIONS					
	REAL ESTATE PROFITS -					
11	From Sales - Proceeds	2,304	2,823	2,855	2,194	10,176
12	- Costs	374	1,008	508	386	2,276
13	- Net	1,930	1,815	2,347	1,808	7,900
14	From Hotels - Revenues	5,288	6,063	4,600	5,776	21,727
15	- Expenses	363	363	363	363	1,452
16	- Net	4,925	5,700	4,237	5,413	20,275
17	From Other Operations - Revenues	3,607	3,422	3,618	3,526	14,173
18	- Expenses	806	806	806	807	3,225
19	- Net	2,801	2,616	2,812	2,719	10,948
20	Total Real Estate	9,656	10,131	9,396	9,940	39,123
	FINANCIAL INCOME					
	From Subsidiaries -					
21	Dividends to P.C.T.	8,704	8,632	7,878	7,931	33,145
22	Tax Payments to P.C.T.	5,256	5,868	6,081	7,336	24,541
23	Total from Subsidiaries	13,960	14,500	13,959	15,267	57,686
24	Other Dividends & Interest	1,517	1,379	1,382	3,692	7,970
25	Securities Transactions	-	-	-	-	-
26	Total Financial Income	15,477	15,879	15,341	18,959	65,656
27	TOTAL OTHER OPERATIONS	25,133	26,010	24,737	28,899	104,779
28	TOTAL NET ORDINARY EARNINGS FOR COMPANY	$ (49,198)	$ (21,369)	$ (4,026)	$ 18,606	$ (56,987)
29	Per Share	$ (2.04)	$ (.88)	$ (.17)	$ .77	$ (2.32)

Director-Budgetary Administration
March 6, 1970

Def-GS 03 fin.

1383a

Ex. BI: Documents headed "Commercial Paper—Weekly Summary," maintained by Lepley, for years 1969 and 1970:

January 2, 1970

January 14, 1970

January 23, 1970

March 6, 1970

April 14, 1970

April 30, 1970

Amt. Due $ 5900 M
1150
7,050.

Friday Jan. 2, 1970

COMMERCIAL PAPER - WEEKLY SUMMARY

Note: Amount Owned by Goldman Sachs $_____

Par	Due Date	Days	Rate %	Discount	Net
3-1000		27			
3,000,000	1/29	~~28~~ 1	9 1/4	21,583.33 ✓	2,978,416.67 ✓
2-1000					
2,000,000	2/4	33 ✓	9 1/4	16,958.33 ✓	1,983,041.67 ✓
2-1000 1-500					
2,500,000	3/6	63 ✓	9 1/4	40,468.75 ✓	2,459,531.25 ✓
7,500,000					
1-300m					
300,000	10/16	287 ✓	8 7/8	21,226.04 ✓	278,773.96 ✓
1-400m					
400,000	11/16	318 ✓	8 7/8	31,358.33 ✓	368,641.67 ✓
1-450m					
450,000	12/16	348 ✓	8 7/8	38,606.25 ✓	411,393.75 ✓
8,650,000.00				~~170,201.03~~	~~8,479,798.97~~
5900				165,145.83	5,745,854.17
2750					

Questions for Shelter:
(1) How much $ is H (U.S. Treasury bills purchased) brought back in?
(2) Where stand on swing line?
(3) When will earnings statement come out for year?
(4) Get O.K. on long private placements (Loeb, Rhoades)

Avg. ____ Avg. ____
____ ____

$500M Due

COMMERCIAL PAPER - WEEKLY SUMMARY

Wed
JAN 14

Note: Amount Owned by Goldman Sachs $ ~~none due~~ $15M ±

Par	Due Date	Days	Rate %	Discount	Net
1-400					
400,000	3/16	61	8 7/8	6,015.28	393,984.72
1-100					
100,000	6/30	167	9	4,175.00	95,825.00
500,000.					

2 400

COMMERCIAL PAPER - WEEKLY SUMMARY

1/23/70

Note: Amount Owned by Goldman Sachs ~~$~~ $18 M

Par	Due Date	Days	Rate %	Discount	Net
1-2000 2,000,000	3/9	45 ✓	8 7/8	22,187.50 ✓	1,977,812.50 ✓
1-250 250,000	4/30	97 ✓	8 3/4	5,894.10 ✓	244,105.90 ✓
1-150 150,000 *	7/6	164 ✓	9	6,150.00 ✓	143,850.00 ✓
2,400,000.				34,231.60	2,365,768.40
	* Inventory				
1,000,000	2/13				
Want 2 x 500	2/13				

Note: Van Cleve was trying to get hold of O'Herron on use of the inventory.

Avg. ___ Avg. ___

___ ___

COMMERCIAL PAPER - WEEKLY SUMMARY

Friday 3/6/70

5.500.MM

Note: Amount Owned by Goldman Sachs $ 2.750 MM

Par	Due Date	Days	Rate %	Discount	Net
1-200					
200,000	4/14	39	8 3/4	1,895.83	198,104.17
1-500					
500,000	6/19	105	8 3/4	12,760.42	487,239.58
1-1000					
1,000,000	12/1	270	8 3/4	65,625.00	934,375.00
2-1000, 1-400					
2,400,000	4/1	26	8 3/4	15,166.67	2,384,833.33
1-350					
350,000	4/15	40	8 3/4	3,402.78	346,597.22
3-1000, 1-750					
3,750,000	3/12	11	8 5/8	9,882.81	3,740,117.19
8,200,000					
4-1,000M					
4,000,000	4/13	38	8 3/4	36,944.44	3,963,055.56
12,200,000					
pay back to Swingline				$ 6,700,000	
Old Avail				2600 000	
New Avails				9,300,000	

Avg. ____ Avg. ____

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Roll $5,235,000

COMMERCIAL PAPER - WEEKLY SUMMARY

Tues. Mar 14.

Note: Amount Owned by Goldman Sachs $_____

Par	Due Date	Days	Rate %	Discount	Net
None	Sold				
All	$5,235,000 to S.L.				
Exceptionally dull day because of tax period					
				S.L. Status	
				Avail To Borrow	Amt. Borrowed
	Previous Balances			16,675	325
	Today Borrow			(5,235)	5235
	Current Status			11,440	5560

Avg. ____ Avg. ____

Roll $12,600

COMMERCIAL PAPER - WEEKLY SUMMARY Thurs. 4/30/70

Note: Amount Owned by Goldman Sachs $_____

Par	Due Date	Days	Rate %	Discount	Net
1-1MM 1,000,000	May 4	4 ✓	8 3/8	930.56 ✓	999,069.44 ✓
1-1MM 1,000,000	May 6	6 ✓	8 3/8	1,395.83 ✓	998,604.17
2 CMEN 2MM					
10,000,000 Must Mat					
	Bob Wilson — A Out of the $12.6M due today (a) one big State Ret				
	fund renewed $5M to a unit of AT&T (b) one big N.Y. Bank corp				
	its customers needed the cash, $5M.				
		B Mobil Oil has	$3.5M to June 10 &	$5.0M to Nov. 16.	
	They want to	Go to Wilson on Friday. 5/1/70.			
	Mobil	5½ - 5¾ Tues.		by G.S in creating	
	Or talk Mobil into waiting until then.				
				10.6	
Alternatives:	(a) G.S sells notes, as is, to someone else				
	(b) FCT Prepays, & G.S. sells to different investor				
	(c) Prepay from our cash				
	(d) Refuse to prepay & not recommended by G.S				
J'O'H agreement Wallace — G.S. working to sell Mobil to replace to meet Dec.					
	— If unsuccessful G.S will have right				
	to buy back at Par				
				Previous Shortfall	6.8
				Today	10.6
				Total	17.4
Avg.		Avg.		Borrowed from Stanley	20.0
				Excess Balance	2.6

Ex. BM: Memorandum of December 1, 1969 from Wilson to Doty.

CONFIDENTIAL

1390a

INTERNAL USE ONLY

MEMORANDUM

December 1, 1969

To: George Doty

From: Bob Wilson

Re: Finance Inventory Names

Because of present market conditions, we are setting new internal guidelines on inventorying notes as a discipline to our selling effort. The purpose of the guidelines is to steer our selling efforts on a priority basis to the most important situations. Hence, if we are faced with a large maturity of a particular issuer, our inventory ought to be moved out in anticipation of the issuer's needs. The buying officers should be in continuing contact with the Sales Department to accomplish this objective.

The following list of names and limits is suggested as appropriate maximums at which to keep our inventory:

Afco Credit Corporation - if necessary, $1MM
Allied Stores Credit Corporation - if necessary, in the $5MM range
American Credit Corporation - $2MM
American Express Credit Corporation - $3MM to $5MM
American Investment Company - if necessary, in the $5MM range
Amfac Financial Corp. - $1MM to $2MM, if necessary
Amsterdam Overseas Corporation - 0
Anderson Clayton Finance Corp. - $2MM to $3MM
Appliance Buyers Credit Corporation - $2MM
Associated Dry Goods Corporation - $3MM
Avco Delta Corporation - if necessary, in the $5MM to $10MM range
Avis Rent A Car System, Inc. - $3MM to $5MM
The Bankers Investment Company - $250M
Beech Acceptance Corporation - $2MM
Butler Finance Company - $250M
B-W Acceptance Corporation - if necessary, in the $5MM range
Carco Acceptance Corporation - $1MM
J. I. Case Credit Corporation - if necessary, in the $5MM range
Cessna Finance Corporation - $350M

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The Chessie Corporation - $5MM
Crompton-Richmond Co. - $500M maximum
Crown Finance Corporation - $250M
John Deere Credit Company - if necessary, in the $1MM range
The Diners' Club - $1MM
EAC Credit Corporation - $2MM
Equilease Corporation - $500M
Family Finance Corporation - $3MM
~~Finserv Corporation - $3MM~~
Fruehauf Finance Company - $1MM
Household Finance Corporation - substantial amounts, with reference to our overall position
IDS Leasing Corporation - $1MM to $2MM
Iselin-Jefferson Financial Company - 0
ITT Aetna Finance - $1MM to $2MM
Kochring Finance Corp. - $1MM
Macy Credit Corp. - $5MM
Massey-Ferguson Credit Corporation - $2MM
Sperry Rand Financial Corporation - if necessary, $5MM
Thorp Finance Corporation - $1MM to $2MM
U. S. Leasing Corporation - $500M
White Motor Credit Corporation - $5MM

cc: JCH
GVC
LED
JJP
MJT
RML
RJS
AES
SPC

Ex. BY: List of banks participating in various loans to Penn Central and Pennsylvania Company.

9:00 J.J.S

Bank Name	Secured Commitment $300MM Revolving Cr.	Unsecured Unsecured Bank Lines	Unsecured Eurodollar Loan $50MM	Unsecured Working Cap.-Loan $30.4MM	Unsecured Other Loans	Unsecured Total PCTC	PENNCO Chemical $50MM	PENNCO Other	PENNCO Total Pennco	Total PCTC + Pennco
First National City Bank	35.0	-	10	18.2	-	63.2	-	-	-	63.2
-Morgan Guaranty	25.0	-	-	-	-	25.0	-	.3	.3	25.3
-Mellon National	15.0	-	2	-	-	17.0	5.0	-	5.0	22.0
-Chase Manhattan	12.0	-	-	12.2	-	24.2	10.0	-	10.0	34.2
-Marine Midland, Buffalo	5.0	-	4	-	-	9.0	-	-	-	9.0
Irving Trust Company	25.0	-	5	-	-	30.0	5.0	-	5.0	35.0
Manufacturers Hanover Trust Co.	20.0	-	3	-	7.5	30.5	10.0	-	10.0	40.5
Bankers Trust Co.	15.0	-	-	-	-	15.0	-	-	-	15.0
Chemical Bank	15.0	-	4	-	-	19.0	10.0	2.2	12.2	31.2
Continental Illinois Nat'l Bk & Trust Co. of Chicago	15.0	-	4	-	-	19.0	-	-	-	19.0
The First Nat'l Bk of Chicago	15.0	5.0	8	-	-	28.0	-	-	-	28.0
United California Bank MHT	10.0	-	2	-	-	12.0	-	-	-	12.0
Crocker-Citizens Nat'l Bank MHT	7.0	-	-	-	-	7.0	-	-	-	7.0
Bank of America, N.T. & S.A. MHT	5.0	-	2	-	-	7.0	-	-	-	7.0
First National State Bank of N.J. MHT	5.0	-	-	-	-	5.0	-	-	-	5.0
Franklin National Bank	5.0	-	-	-	-	5.0	-	-	-	5.0
Maryland National Bank MHT	5.0	-	-	-	-	5.0	-	-	-	5.0
National Bank of Detroit MHT	5.0	1.0	3	-	-	9.0	-	-	-	9.0
The Northern Trust Company MHT	3.5	-	-	-	-	3.5	-	-	-	3.5
Industrial National Bank of Rhode Island	3.0	-	-	-	-	3.0	-	-	-	3.0
National Newark & Essex Bank	3.0	-	-	-	-	3.0	-	-	-	3.0
Old Kent Bank & Trust Company	3.0	-	-	-	-	3.0	-	-	-	3.0
The Connecticut Bk & Trust Co. C B	3.0	-	-	-	-	3.0	-	-	-	3.0
Republic National Bank of Dallas MHT	2.5	-	-	-	-	2.5	-	-	-	2.5
The National Shawmut Bk of Boston C B	2.3	-	-	-	2.1	4.4	-	-	-	4.4
American Fletcher Nat'l Bk & Trust Co.	2.0	-	-	-	-	2.0	-	-	-	2.0
American Security & Trust Co (D.C.) MHT	2.0	-	-	-	-	2.0	-	-	-	2.0
Bank of Montreal, N.Y. Agency C B	2.0	-	-	-	-	2.0	5.0	-	5.0	7.0
First National Bank in St. Louis C B	2.0	1.5	-	-	-	3.5	-	-	-	3.5
First Wisconsin Nat'l Bank of Mil.	2.0	2.0	3	-	-	7.0	-	-	-	7.0

Bk Name	Secured Commitment $300MM Revolving Cr.	Unsecured Unsecured Bank Lines	Unsecured Eurodollar Loan $50MM	Unsecured Working Cap. - Loan $30.4MM	Unsecured Other Loans	Unsecured Total PCTC	PENNCO Chemical $50MM	PENNCO Other	PENNCO Total Pennco	Total PCTC & Pennco
Hartford Nat'l Bk & Trust Co. C B	2.0	-	-	-	-	2.0	-	-	-	2.0
Industrial Valley Bk & Trust Co. M H T	2.0	-	-	-	-	2.0	-	-	-	2.0
Mercantile Trust Co., N.A. (St. Louis) C B	2.0	1.5	-	-	-	3.5	-	-	-	3.5
Rhode Island Hosp. Trust Co. M H T	2.0	-	-	-	-	2.0	-	-	-	2.0
State Bank of Albany	2.0	-	-	-	-	2.0	-	-	-	2.0
Western Penn. Nat'l Bank	2.0	1.5	-	-	-	3.5	-	-	-	3.5
The Connecticut Nat'l Bank M H T	1.8	-	-	-	-	1.8	-	-	-	1.8
The Union Nat'l Bank of Pittsburgh	1.6	1.0	-	-	-	2.6	-	-	-	2.6
Mercantile Safe Deposit Trust Co.	1.5	2.0	-	-	-	3.5	-	-	-	3.5
Union Trust Co.	1.5	-	-	-	-	1.5	-	-	-	1.5
The Indiana Nat'l Bank of Ind.	1.3	1.0	-	-	-	2.3	-	-	-	2.3
American Bk & Trust Co of Pa. M H T	1.0	-	-	-	-	1.0	-	-	-	1.0
Canadian Imperial Bk of Commerce	1.0	-	-	-	-	1.0	-	-	-	1.0
Central Nat'l Bk of Cleveland	1.0	2.0	-	-	-	3.0	-	-	-	3.0
Citizens Fidelity Bk & Trust Co. M H T	1.0	-	-	-	-	1.0	-	-	-	1.0
City National Bk of Detroit	1.0	-	-	-	-	1.0	-	-	-	1.0
First & Merchants Nat'l Bk. M H T	1.0	-	-	-	-	1.0	-	-	-	1.0
First Jersey National Bk M H T	1.0	-	-	-	-	1.0	-	-	-	1.0
First Nat'l Bk of Akron	1.0	-	-	-	-	1.0	-	-	-	1.0
The Nat'l Bk of Washington	1.0	-	-	-	-	1.0	-	-	-	1.0
The Ohio Nat'l Bk	1.0	-	-	-	-	1.0	-	-	-	1.0
The Toledo Trust Co.	1.0	-	-	-	-	1.0	-	-	-	1.0
Harris Trust Chicago M H T	-	1.0	-	-	-	1.0	-	-	-	1.0
The First Nat'l Bk of Cincinnati	-	4.0	-	-	-	4.0	-	-	-	4.0
Cleveland Trust Co.	-	5.0	-	-	5.0	10.0	-	-	-	10.0
The Huntington Nat'l Bk	-	1.0	-	-	-	1.0	-	-	-	1.0
Nat'l City Bk Cleveland	-	3.0	-	-	-	3.0	-	-	-	3.0
Winters Nat'l Bak & Trust Co.	-	1.0	-	-	-	1.0	-	-	-	1.0
National Central Bk (Harrisburgh, Pa.)	-	1.0	-	-	-	1.0	-	-	-	1.0
Brown Bros. Harriman & Co.	-	2.0	-	-	-	2.0	-	-	-	2.0
First National Bk of Miami M H T	-	1.0	-	-	-	1.0	-	-	-	1.0
Lincoln Nat'l Bk & Trust Co.	-	1.0	-	-	-	1.0	-	-	-	1.0
South Jersey Nat'l Bk M H T	-	1.0	-	-	-	1.0	-	-	-	1.0

1393a

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...k Name	Secured Commitment $300MM Revolving Cr.	Unsecured Unsecured Bank Lines	Unsecured Eurodollar Loan $50MM	Unsecured Working Cap. -Loan $30.4MM	Unsecured Other Loans	Unsecured Total PCTC	PENNCO Chemical $50MM	PENNCO Other	PENNCO Total Penn	...tal TC & ...enco
Fidelity Union Trust Co. (Newark)	-	2.0	-	-	-	2.0	-	-	-	2.0
Manufacturers & Traders Trust Co.	-	2.0	-	-	-	2.0	-	-	-	2.0
Lincoln Rochester Trust Co.	-	1.0	-	-	-	1.0	-	-	-	1.0
The Central Trust Co. (Cinn)	-	1.0	-	-	-	1.0	-	-	-	1.0
First National Bk of Maryland	-	1.0	-	-	-	1.0	-	-	-	1.0
Girard Trust Phil.	-	-	-	-	-	-	2.0	-	2.0	2.0
Fidelity Trust Phil.	-	-	-	-	-	-	1.0	-	1.0	1.0
Nat'l Boulevard Bk	-	-	-	-	-	-	1.0	-	1.0	1.0
Pittsburgh National	-	-	-	-	-	-	1.0	-	1.0	1.0
Total	300.0	46.5	50.0	30.4	14.6	441.5	50.0	2.5	52.5	494.0

Central Penn 2.2 mill

1394a

Ex. BZ: Letter of February 5, 1970 from Shaffer of Penn Central to The First National Bank of Chicago.

TRANSPORTATION
PENN CENTRAL COMPANY

1334, Six Penn Center Plaza
Philadelphia, Pa. 19104

February 5, 1970

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Gentlemen:

We hereby agree with you as follows:

In accordance with authority granted to us by the Interstate Commerce Commission in Finance Docket No. 25179, we request that you lend to us from time to time and credit to our account certain sums of money up to an aggregate maximum amount of $5,000,000 and in this connection comply with any written or telephone requests by the Treasurer or any Assistant Treasurer of this corporation relating to these borrowings or the transfer of funds to any bank or trust company for our account. You shall incur no liability to this corporation in acting upon telephone instructions which the recipient thereof believed in good faith to have been given by any of such officers.

All borrowings hereunder shall be repaid by us upon demand (but not later than one year from the date of the first borrowing hereunder) but they may at our election in any instance be repaid at any time prior to demand. Interest on the borrowings, at your prime interest rate shall be billed and payable monthly and shall be computed on daily balances outstanding through the last day of each month on the basis of a 360 day year. As borrowings or repayments are made hereunder you will so notify us with your customary advice form indicating the amount of the loan outstanding after such borrowings. This letter and such notices will constitute evidence of our indebtedness to you outstanding hereunder from time to time and we hereby promise to pay any such indebtedness upon demand.

Any of the foregoing instructions given to you by telephone will be confirmed the same day by us in writing signed by one of the aforementioned officers.

Should you so request, we agree to execute and deliver to you notes covering any outstanding loans.

This agreement may be terminated at any time by either of us by written notice to the other but such termination shall not affect our liabilities to you theretofore incurred hereunder. Any changes in this agreement will be made in written form.

If this agreement is satisfactory to you, please indicate your acceptance by signing and returning to us a copy of this letter provided for that purpose.

Very truly yours,

ATTEST:

Assistant Secretary

J. H. Shaffer
Treasurer
Penn Central Transportation Company

ACCEPTED:

THE FIRST NATIONAL BANK OF CHICAGO

By
Assistant Vice President

Ex. CG id.: Goldman, Sachs' ferms, dated May 27, 1970, showing purchase of 70,000 shares of Penn Central and sales of 27,200 shares of Penn Central.

NO. 4 BOUGHT	X3 SOLD	SECURITY	PRICE	DATE
29552		PC	13 1/4	
1000		NO.		

May 27 12 26 P

ACCOUNT

BROKER CJ

MKT. & BLOTTER	OFFICE	ACCOUNT	TYPE	CHK. #	REP.	DIRECTED ORDER TO	OFFICE	REP.	NEW A/C	INT. CPN.	DAYS
10			1						☐		

ORDER ROOM INSTRUCTIONS

ORDER CODE CC 73

1000 CJ @ 13 Bought

P & S INSTRUCTIONS

ST. TAX (C77)
☐ NO TAX X-77
☐ CHARGE NON-RES.) I-77

INITIALS

000809 May 27 70
REP. NO. DATE

RULE 433 - CHECK ONE BOX
SEE INSTRUCTIONS ON BACK
☐ 1 ☐ 2 ☐ 3 ☐ 4

CC 74 ☐

DATE

PRINCIPAL	
INTEREST STATE TAX	
AMOUNT	
FEDERAL TAX	
COMMISSION	
POSTAGE REGISTRATION FEE	
AMOUNT DUE	

IBM

1397a

1398a

P. Leeg

TO

BOUGHT | SOLD

15000 @ 13¼

ABW	ARO	BOL
CMN	C.	GNI
CMO	FST	PC
IBC	LOR	SGM
PNV PR	RTC	

GS

5

COMPLETES LEAVES LIMIT

VAUGHAN & CO.

J. W. TOOMEY & CO. WRAGE & CO.

Digby 4-8248

1354 POST 18

1399a

BOUGHT SOLD 002954

55000

25000 - 5/8 C

~~2~~ 13 6

30000 - 5

65

PETER A. LEVY

NW 23 GOLDMAN, SACHS & CO. 5

1400a

BOUGHT SOLD

002955

1400

PC

13/

3-NB 155-DK Kaiser Wright

1-Illinois 105-2-B 30

1-Kay 433

5-GPS 25

4-HF 564

1-HF 161

PETER A. LEVY

NW 23 GOLDMAN, SACHS & CO. 5

Ex. CH id.: Goldman, Sachs' forms dated May 27, 1970, showing sales of 96,000 shares of Penn Central.

BOUGHT

DEPT. Cust

DATE 5/21/73

SHEET NO.

QUANTITY	X	SECURITY	PRICE	CUSTOMER
1000		Hit	14	
300		Viking Corp	35	
50			35	
1000		Pratt Rli	55	
100		Kaiser Industries	7	
200			7	
5000		Okie	3	
1500		SNT	9	
3000		LDI	6	
400			6	
700		SPB	51	
100		Fairchild	31	
200		DIS	10	
200			10	
100			10	
100		TKN	10	
100			10	
1000		Ency	50	
400			50	
1500		ALH	50	
200			50	
5000			20	
1500			20	
100			20	
100		Kaiser Ind	20	
200		Commonwealth	14	
200			14	
200			14	
500		DIO	13	
1000		DIT	13	
500			13	
400			11	
300		KB	11	
200			35	

QUANTITY	X	SECURITY	PRICE	CUSTOMER
		Eggshead		
		Atlantic Life		
		Mercer Int		
		Coast		
		Fisher		
		MSW		
		First Bristol		
		B		

BOUGHT

DEPT. Cust

DATE 5/27/70

SOLD

1402a

Ex. CL: Tabulation of money market rates for the period January 4, 1969 through March 20, 1970.

OVERSIZE FOLDOUT(S) FOUND HERE IN THE PRINTED EDITION OF THIS VOLUME ARE FOUND FOLLOWING THE LAST PAGE OF TEXT IN THIS MICROFICHE EDITION.

SEE FOLDOUT NO 1-2

Ex. CW: Portion of computer run showing Goldman, Sachs & Co.'s daily summary totals for Penn Central commercial paper and for all commercial paper sold or held by Goldman, Sachs as dealer; portion showing summary totals for December 19, 1969 to March 20, 1970.

ISSUER / DATE	OUTSTANDINGS	INVENTORY	PURCHASES	R.T.C.	PREPAYS	CALLS	SALES	BUY-BACK	ALL C / P OUTSTANDINGS	ALL C / P MATURITIES	ALL C / P INVENTORY
PENN CENTRAL TRANSPORTATIO											
12/19/69	$200,000M	$16,170M	$6,400M				$8,700M		$5,101,816M	$202,848M	239,474
12/20/69	$200,000M	$16,170M							$5,101,816M		239,474
12/21/69	$200,000M	$16,170M							$5,101,816M		239,474
12/22/69	$200,000M	$15,520M	$10,550M				$10,200M		$5,027,439M	$286,327M	239,519
12/23/69	$200,000M	$14,320M	$4,050M				$4,250M		$4,962,223M	$263,961M	245,464
12/24/69	$183,830M	$50M		$16,170M			$100M		$4,957,483M	$117,875M	208,769
12/25/69	$183,830M	$50M							$4,957,483M		208,769
12/26/69	$183,830M	$4,050M	$4,000M						$4,925,877M	$170,594M	219,565
12/27/69	$183,830M	$4,050M							$4,925,877M		219,565
12/28/69	$183,830M	$4,050M							$4,925,877M		219,565
12/29/69	$183,830M	$5,815M	$2,415M				$650M		$4,811,379M	$327,501M	240,495
12/30/69	$181,080M	$5,965M	$1,900M				$1,750M		$4,735,821M	$271,881M	228,950
12/31/69	$181,230M	$3,215M	$4,150M				$4,300M		$4,676,422M	$301,810M	232,590
1/01/70	$181,230M	$3,815M							$4,676,422M		232,590
1/02/70	$181,680M	$2,215M	$7,500M				$9,100M		$4,744,252M	$226,712M	196,640
1/03/70	$181,680M	$2,215M							$4,744,252M		196,640

* NOTE M DENOTES 000 *

1405a

RUN DATE 3/07/75

GOLDMAN SACHS AND CO.
COMMERCIAL PAPER DAILY SUMMARY TOTALS
FROM 1/01/69 THRU 6/19/70

ISSUER / DATE	OUTSTANDINGS	INVENTORY	PURCHASES	R.T.C.	PREPAYS	CALLS	SALES	BUY-BACK	ALL C/B OUTSTANDINGS MATURITIES		INVENTORY
PENN CENTRAL TRANSPORTATIC											
1/04/70	$181,690M	$2,215M							$4,746,252M		196,640
1/05/70	$181,680M	$4,265M	$8,650M				$6,600M		$4,781,386M	$317,422M	194,370
1/06/70	$181,680M	$4,200M	$3,525M				$3,900M		$4,869,464M	$201,195M	176,355
1/07/70	$196,930M	$4,190M	$5,700M				$6,300M	$500M	$4,875,729M	$186,078M	166,514
1/08/70	$186,630M	$6,615M	$6,850M				$6,225M		$4,881,849M	$161,736M	175,035
1/09/70	$191,880M	$11,750M	$6,850M				$2,115M		$4,889,653M	$183,195M	162,425
1/10/70	$191,880M	$11,750M							$4,889,653M		162,425
1/11/70	$191,880M	$11,750M							$4,889,653M		162,425
1/12/70	$194,780M	$18,850M	$7,100M						$4,820,758M	$317,096M	190,801
1/13/70	$199,100M	$15,895M	$3,695M				$7,350M	$700M	$4,872,274M	$120,098M	190,716
1/14/70	$196,100M	$13,595M	$500M				$2,400M		$4,909,346M	$165,916M	221,610
1/15/70	$196,100M	$12,045M	$6,000M				$9,650M		$4,847,617M	$310,323M	243,960
1/16/70	$196,100M	$14,545M	$6,675M				$3,775M		$4,925,073M	$192,111M	229,912
1/17/70	$196,100M	$14,945M							$4,925,073M		229,912
1/18/70	$196,100M	$14,945M							$4,925,073M		229,912
1/19/70	$196,100M	$14,100M	$8,300M				$9,145M		$4,993,432M	$235,762M	250,685

* NOTE M DENOTES 000 *

1406a

GOLDMAN SACHS AND CO.
COMMERCIAL PAPER DAILY SUMMARY TOTALS
FROM 1/01/69 THRU 6/19/70

RUN DATE 3/07/75

PAGE 25

ISSUER / DATE	OUTSTANDINGS	INVENTORY	PURCHASES	R.T.O.	PREPAYS	CALLS	SALES	BUY-BACK	A L L C / P OUTSTANDINGS	A L L C / P MATURITIES	A L L C / P INVENTORY
THE PENN CENTRAL COMPANY											
1/20/70	$196,100M	$18,600M	$10,450M	$8,000M			$3,750M		$5,009,529M	$218,581M	241,881
1/21/70	$196,100M	$15,720M	$3,100M				$2,180M		$5,047,936M	$157,595M	237,396
1/22/70	$196,100M	$15,120M	$5,650M				$3,550M		$5,041,988M	$224,886M	210,621
1/23/70	$196,100M	$13,070M	$2,400M				$7,450M		$5,063,988M	$170,035M	215,625
1/24/70	$196,100M	$13,070M							$5,063,988M		215,625
1/25/70	$196,100M	$13,070M							$5,063,988M		215,625
1/26/70	$196,100M	$16,570M	$7,500M				$4,000M		$5,025,755M	$287,810M	226,561
1/27/70	$196,100M	$17,370M	$1,500M				$700M		$5,093,708M	$129,381M	228,381
1/28/70	$196,100M	$13,220M	$6,000M	$6,000M			$4,150M		$5,135,346M	$142,980M	221,966
1/29/70	$196,100M	$12,620M	$6,800M				$7,400M		$5,137,754M	$211,681M	243,896
1/30/70	$196,100M	$13,710M	$4,425M				$3,335M		$5,139,803M	$330,226M	263,325
1/31/70	$196,100M	$13,710M							$5,139,803M		263,325
2/01/70	$196,100M	$13,710M							$5,139,803M		263,325
2/02/70	$196,100M	$9,010M	$5,300M	$5,000M			$5,200M		$5,120,230M	$297,064M	248,196
2/03/70	$196,100M	$10,110M	$5,500M				$4,400M		$5,205,597M	$133,677M	240,353
2/04/70	$196,100M	$15,910M	$6,800M				$1,000M		$5,219,172M	$163,806M	261,771

* NOTE M DENOTES 000 *

1407a

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ISSUER / DATE	OUTSTANDINGS	INVENTORY	PURCHASES	R.T.C.	PREPAYS	CALLS	SALES	BUY-BACK	ALL C/P OUTSTANDINGS	ALL C/P MATURITIES	ALL C/P INVENTORY
PENN CENTRAL TRANSPORTATIO											
2/05/70	$196,100M	$14,210M	$4,900M	$2,000M			$4,600M		$5,235,244M	$189,813M	287,613
2/06/70	$196,100M	$14,150M	$6,690M	$2,690M			$4,060M		$5,237,723M	$185,934M	248,830
2/07/70	$196,100M	$14,150M							$5,237,723M		248,830
2/08/70	$196,100M	$14,150M							$5,237,723M		248,830
2/09/70	$196,100M	$4,650M	$2,300M	$10,000M			$1,500M		$5,226,682M	$180,678M	242,968
2/10/70	$196,100M	$3,000M	$4,850M				$6,300M		$5,267,915M	$200,863M	240,828
2/11/70	$197,530M	$1,700M	$3,330M				$4,630M		$5,273,831M	$179,583M	259,292
2/12/70	$197,530M	$1,700M							$5,283,021M		259,292
2/13/70	$196,130M	$5,900M	$6,830M				$2,750M	$350M	$5,318,723M	$226,313M	257,025
2/14/70	$196,130M	$5,900M							$5,318,723M		257,025
2/15/70	$196,130M	$5,900M							$5,318,723M		257,025
2/16/70	$189,430M	$4,800M	$6,800M				$7,900M		$5,277,424M	$206,635M	268,780
2/17/70	$187,300M	$3,470M	$300M			$330M	$1,300M		$5,325,728M	$174,061M	251,446
2/18/70	$187,825M	$3,470M	$3,525M				$3,525M		$5,390,332M	$148,588M	265,104
2/19/70	$191,625M	$3,370M	$5,000M				$5,100M		$5,445,536M	$145,796M	254,375
2/20/70	$188,635M	$1,000M	$2,150M	$3,120M		$250M	$1,150M		$5,477,851M	$231,216M	248,114

* NOTE : M DENOTES 000 *

148a

RUN DATE 3/27/75

GOLDMAN SACHS AND CO.
COMMERCIAL PAPER DAILY SUMMARY TOTALS
FROM 1/01/64 THRU 6/19/70

PAGE 27

ISSUER / DATE	OUTSTANDINGS	INVENTORY	PURCHASES	R.T.C.	PREPAYS	CALLS	SALES	BUY-BACK	ALL C / P OUTSTANDINGS	ALL C / P MATURITIES	ALL C / P INVENTORY
PENN CENTRAL TRANSPORTATIO											
2/21/70	$198,655M	$1,000M							$5,477,851M		248,114
2/22/70	$198,655M	$1,000M							$5,477,851M		248,114
2/23/70	$198,655M	$1,000M							$5,477,851M		248,114
2/24/70	$197,755M	$1,000M	$1,330M				$1,330M		$5,475,948M	$285,859M	255,478
2/25/70	$199,[illegible]75M		$3,000M				$4,000M		$5,514,240M	$189,516M	262,023
2/26/70	$197,075M		$500M				$500M		$5,453,570M	$268,187M	261,306
2/27/70	$197,325M		$4,100M				$4,100M		$5,482,265M	$318,574M	245,727
2/28/70	$197,325M								$5,482,265M		245,727
3/01/70	$197,325M								$5,482,265M		245,727
3/02/70	$197,325M	$9,000M	$10,450M				$1,350M		$5,464,182M	$310,332M	281,751
3/03/70	$198,175M		$10,100M	$9,000M			$10,100M		$5,540,110M	$180,681M	261,239
3/04/70	$197,175M	$3,050M	$4,000M				$950M		$5,597,631M	$182,777M	284,809
3/05/70	$138,700M	$3,050M	$6,000M				$6,000M		$5,63[illegible],673M	$155,434M	274,086
3/06/70	$195,400M	$2,750M	$12,200M				$12,500M		$5,7[illegible],713M	$170,987M	256,774
3/07/70	$195,400M	$2,750M							$5,7[illegible],713M		256,774
3/08/70	$195,400M	$2,750M							$5,7[illegible],713M		256,774

* NOTE 1M DENOTES 000 *

1409a

GOLDMAN SACHS AND CO.
COMMERCIAL PAPER DAILY SUMMARY TOTALS
FROM 1/01/69 THRU 6/19/70

RUN DATE 3/07/75

ISSUER / DATE	OUTSTANDINGS	INVENTORY	PURCHASES	R.T.C.	PREPAYS	CALLS	SALES	BUY-BACK	ALL C / P OUTSTANDINGS	ALL C / P MATURITIES	ALL C / P INVENTORY
PENN CENTRAL TRANSPORTATIO											
3/09/70	$188,875M	$2,750M	$1,575M				$1,575M		$5,717,566M	$263,186M	237,663
3/10/70	$191,325M	$2,750M	$5,000M				$5,000M		$5,763,563M	$190,567M	231,687
3/11/70	$191,325M	$3,250M	$1,500M				$1,000M		$5,835,654M	$138,391M	235,857
3/12/70	$192,825M	$3,250M	$5,500M				$5,500M		$5,851,323M	$169,446M	191,252
3/13/70	$194,575M	$4,700M	$2,250M				$3,550M	$2,750M	$5,878,725M	$210,260M	194,258
3/14/70	$194,575M	$4,700M							$5,878,725M		194,258
3/15/70	$194,575M	$4,700M							$5,878,725M		194,258
3/16/70	$194,575M	$4,500M	$9,500M				$9,700M		$5,907,882M	$308,393M	241,420
3/17/70	$191,450M	$4,500M	$1,000M				$1,000M		$5,901,631M	$176,309M	252,970
3/18/70	$192,700M	$3,650M	$1,500M				$2,050M		$5,982,085M	$201,846M	289,911
3/19/70	$190,700M	$2,000M	$400M				$2,350M		$6,048,184M	$122,572M	276,009
3/20/70	$193,050M	$2,000M	$2,850M				$2,850M		$6,069,748M	$108,130M	292,032

* NOTE : M DENOTES 000 *

1410a

Ex. EV: Blue sheet of July 22, 1969 on Avco Corporation, with July 23 and 24, 1969 addenda, by Roger M. Lynch.

AVCO CORPORATION NEW YORK, NEW YORK

7/22/69

With an inventory position of $16MM and the realization that this company was looking for an additional $7MM the following day, I called Frank Suozzi to inquire as to his flexibility in obtaining funds from sources other than the c/p market. I explained that we have had some difficulty in selling their notes recently because of the c/p market in general and also because they have been increasing their outstandings dramatically recently ($125MM to $157MM). I went on to say that usually we maintain a level on how much of one company's notes we carry in inventory at one time but since Avco has been expecting a large payment from their Stratford plant which would eleviate pressure for additional funds we have been willing to work with them on their requirements. Frank explained that they have a revolving credit of $175MM of which they are owing $100MM. To go this route they would have to give two day's notice which would not be quick enough to solve the present situation. They also have $100MM in lines but when these were set up it was understood that they would be strictly back-up lines for c/p and would not be utilized. Frank went on to say that he has been counting on GS&Co. to handle their needs on a day to day basis. I told Frank that we have taken care of their needs in the past and feel confident we can satisfy their needs in the future but that we wanted to cover ourselves in case the unforeseen develops. Frank said that if GS&Co. could not provide funds on a particular day their first recourse would be to bring down their compensating balances on their bank lines. This would make available $10MM to $15MM. Frank said that if things got really bad he would use his back-up lines but it would be done only in the case of an emergency and probably annoy his bankers. I suggested that Frank set up some type of "swing line" arrangement so that they would have more flexibility. Frank said that he would discuss it with his people.

7/23/69

I cleared with Frank a buying rate ⅛% higher than our best rate until we reduce our inventory position. Frank agreed with this idea and felt that he would much rather pay an additional ⅛% during a tight period than go to his banks.

7/24/69

Frank Suozzi called and informed me that they had just received $25MM from their Stratford operation. We immediately sold back to Avco the $8½MM of c/p that we had in inventory. We are now back in excellent shape with this account.

cc: JCW, RGW, LED, GVC, JAV ROGER M. LYNCH

Ex. EW: Blue sheet of August 13, 1969 on Avco Corporation and Avco Delta Corporation by Fekula.

AVCO CORPORATION/ New York, N. Y.
AVCO DELTA CORPORATION New York, N. Y.

August 13, 1969

Frank Suozzi, Second Vice President met with Bob Wilson, Lou Drypolcher and Walter Fekula. Frank is part of the newly formed financial services group headed by Dick Yantis which is responsible for all the financing of Avco, Avco Delta, Seaboard, Carte Blanche, Paul Revere etc. They are currently looking into the possibility of merging Avco Delta with Seaboard and it is Frank's guess that this should be accomplished by next year with Avco Delta eventually moving to Los Angeles. Avco is in the midst of making some decisions with respect to long term financing which should take place sometime in 1970 and would probably be a combination of senior long term debt and subordinated convertible debentures or straight equity. On the short term debt side, Avco has $175 million in a revolving credit agreement that expires March 31, 1972 of which $100 million is in use. Three days notice is required prior to any take downs. In addition the company has increased its supplemental lines from $100 million to $139 million as a result of Avco-Embassy becoming a "restricted" subsidiary and merging its lines with Avco Corp. $29.8 million is in use all being former Avco-Embassy debt. Frank said that for these supplemental lines they are keeping 15% in compensating balances and when they set up the original $100 million they told their banks that these lines would not be used. There is currently outstanding $152 million in commercial paper and based on rough projections they would like to increase outstandings to $170 million by August 22nd. Avco projects that they will need $200 million in commercial paper by fiscal year end. This assumes that no additional borrowings will be incurred under the revolving credit. When asked whether or not the supplemental lines can be looked to Frank, after some hemming and hawing, said they could as a "court of last resort." He said that Avco would rather create other alternatives such as, in order of preference, us inventoring any paper that we cannot sell, overselling paper using the excess as a cushion and finally using the revolving credit. He said that it was his understanding that we have a $10-15 million limit on Avco paper that we inventory and inasmuch as outstandings are increasing we should be willing to inventory more paper. Bob explained that we have no formal guidelines on how much paper we inventory stating that if a name isn't selling well we at one point will stop inventoring. When asked if these supplemental lines have been confirmed in writing, Frank replied that he presumed so but that they would be in Frank Larson's files and he is not making available his files to either Yantis or himself. Earlier in the conversation, Suozzi mentioned that Lawson will probably be retiring shortly, not entirely on his own volition. We told Frank that we were never informed as to the tenuousness of the outside lines of credit and would like to

know exactly under what conditions these lines can be looked to. Frank said that after exhausting all other avenues they probably could be used, however, they do not want to test them. Avco Delta at August 8 had out $247 million in commercial paper as against $186 million in unused lines. Avco Delta plans to sell publicly $30-50 million in senior long term debt in September and is currently negotiating to transfer $15 million in senior debt into subordinated debt as they are reaching the allowable debt ratio under loan agreements. Also, Yantis is now negotiating with Ford Motor Credit to sell them $15MM in the wholesale receivables now that the Commercial Credit deal is dead.

The First Pennsylvania Banking and Trust Company, which extends a $10 million line to Avco Delta, has informed all of its finance companies that it is going to charge them 9% adding that when money is loose they would charge the finance companies a rate below prime. We advised Frank not to do anything drastic such as drop the line during this current tight money market. We said further that we have been able to satisfy Avco's needs during these critical times, and expect to in the future, but the company should provide for any unforseen circumstance whereby for one reason or another there may be a temporary run off in commercial paper. Bob told Frank that from our point of view assuming that Avco does not (or cannot) use these outside lines, we would like to see them set up $20 million in swing lines to give us more flexibility. Also, overselling and laying off excess funds would provide more flexibility.

Bob plans to call Yantis in the morning to see what reactions he has to our recommendations and to hear from him the nature of those outside lines.

W. P. Fekula

Ex. FA: Memorandum of November 21, 1969 from H. Weinberg to Doty.

CONFIDENTIAL

MEMORANDUM

November 21, 1969

TO: Mr. George Doty

FROM: Hy Weinberg

SUBJECT: Analysis of November 20 Commercial Paper Inventory.

As you requested, we have analyzed the Commercial Paper Inventory at the close of business on November 20, 1969. Our analysis was aimed at determining the average length of time that commercial paper notes remained in inventory after being purchased from issuers and before being sold to investors.

The analysis indicates that the average note in last night's inventory has been held by us for 12.49 days. The average holding period of 12.49 days is a weighted average, taking into account the length of time the notes have been held and their dollar amount.

The total Control Desk Inventory (that is, the inventory available for sale) at the close of business on November 20 was $222,190,000. Attached is a detailed breakdown of this inventory, with our notation in the right-hand column indicating the number of days that the note has been held by us. While we have only analyzed a single day, my review of other records and information leads me to believe that the average holding period of the notes in the November 20 Inventory is fairly typical and representative, and that if we were to choose more days to analyze, we would most likely come up with approximately the same answer.

Hy

as of 11/21/69

cc: Mr. Robert G. Wilson
Commercial Paper Department

avg no 12.3 days

COMMERCIAL PAPER 1:30 P.M.E.S.T. NOVEMBER 20, 1969

YIELDS

	30-44	45-59	60-89	90-119	120-179	180-270
8	8.054-079	8.081-106	8.108-161	8.163-217	8.218-331	8.333-511
8 1/8	8.180-206	8.208-234	8.236-291	8.293-349	8.351-467	8.469-662
8 1/4	8.307-334	8.335-363	8.365-421	8.423-481	8.483-602	8.604-794
8 3/8	8.433-461	8.463-491	8.493-552	8.554-613	8.615-739	8.741-936
8 1/2	8.561-589	8.591-620	8.622-682	8.685-746	8.748-875	8.877-9.078
8 5/8	8.687-717	8.719-749	8.751-813	8.815-873	8.880-9.011	9.014-9.222
8 3/4	8.814-845	8.847-877	8.879-943	8.946-9.011	9.013-148	9.150-365
8 7/8	8.941-972	8.975-9.006	9.008-074	9.076-143	9.146-285	9.287-509

EXIMBANK RATES & EQUIVALENT BOND YIELDS

NOT AVAILABLE

F.N.M.A. RATES EQUIVALENT BOND YIELDS

30-59**	60-89	90-179	180-270
7(7.14-7.18)	7.25(7.44-7.48)	7.50(7.75-7.90)	7.65(8.06-8.12)

**No december Maturity Available

F.N.M.A.

7	Nov 24	50	2x25
7	Dec 17	2,700	2x1000 1x500 2x100
7	Dec 29	100	1x100
7.15	Jan 2	150	6x25
7.15	Jan 5	300	3x100
7.20	Jan 12	100	1x100
7.20	Jan 20	100	1x100
7.60	Feb 27	700	5x100 8x25
7.65	Apr 14	200	2x100
7.70	May 15	100	1x100
7.75	Jun 15	5,720	5x1000 2x10 6x100 4x25

NOVEMBER MATURITIES

				NUMBER OF DAYS IN INVENTORY
8 3/4	Foremost McKesson, Inc.	Nov 28	200	2
8 3/4	Georgia-Pacific Corporation	Nov 26	500	2
8 3/4	Georgia Power Company (R)	Nov 25	100	38
8 3/4	Munsingwear Inc. (R)	Nov 25	100	28
8 3/4	Trunkline Gas Co.	Nov 26	400	2

TOTAL NOVEMBER MATURITIES - 1,500

DECEMBER MATURITIES

8 3/4	American Cable & Radio Corporation	Dec 23	1,000	30
8 3/4	American Standard Inc.	Dec 23	250	3
8 3/4		Dec 29	4,000	4
8 7/8	Amfac Financial Corporation (Guaranteed by Amfac Inc.)	Dec 23	100	46
8 3/4	Arcata National Corp.	Dec 2	300	4
8 3/4	The Bendix Corporation	Dec 31	500	7
8 7/8	Butler Manufacturing Co	Dec 22	700	1
8 3/4	Eltra Corporation	Dec 23	500	44
8 3/4	Evans Products Co.	Dec 5	100	15
8 3/4	Finserv Corporation (Guaranteed by Studebaker-Worthington)	Dec 18	800	1
8 3/4	General Tire & Rubber Company	Dec 30	2000	11
8 3/4	International Salt Co	Dec 30	2,000	4
8 7/8	Lone Star Gas Company	Dec 23	500	11
8 3/4	Pepsi Cola Equipment Corporation (R)** (Guaranteed by Pepsico Inc.)	Dec 1	100	2
8 7/8	Standard Knitting Mills Inc	Dec 29	700	1
8 3/4	Universal Leaf Tobacco Company, Inc.	Dec 2	100	58
8 3/4	U.S. Industries Inc.	Dec 19	1,000	25
8 7/8	The Vendo Company	Dec 23	500	37
8 3/4	Walgreen Co.	Dec 4	300	22
8 3/4		Dec 22	100	2
8 3/4	West Point-Pepperell Inc.	Dec 26	1,000	1
8 3/4		Dec 23	500	15
8 7/8	Zayre Corporation	Dec 31	1,000	8
		Dec 24	3,000	14

TOTAL DECEMBER MATURITIES - 21,050

JANUARY MATURITIES

8 7/8	Allied Mills, Inc.	Jan 23	800	8
8 3/4	Allied Stores Credit Corporation	Jan 8	15/2500-20/300	15/20
9	Amalgamated Sugar Co.	Jan 28	500	4
8 3/4	American Cable & Radio Corporation	Jan 8	1,700	16
8 3/4	Amfac Financial Corporation (Guaranteed by Amfac Inc.)	Jan 8	100	25
8 7/8		Jan 22	1,000	15
8 3/4	Arcata National Corporation	Jan 5	2,000	8
8 3/4		Jan 7	700	24
8 7/8	Armstrong Rubber Company	Jan 15	500	18
8 7/8	Armco Steel Corporation	Jan 13	500	14
8 3/4	Avco Corporation	Jan 5	500	22
8 3/4		Jan 7	600	19
8 7/8		Jan 21	1,500	11
8 7/8		Jan 26	700	3
9	Beech Acceptance Corporation Inc./ Beech Aircraft Corporation	Jan 22	100	8
9		Jan 30	700	15
9	Belding-Heminway Co., Inc.	Jan 12	500	23
9 1/8		Jan 29	500	8
8 3/4	Bell & Howell Co.	Jan 5	250	9
8 3/4		Jan 7	250	16
8 7/8		Jan 13	350	4
8 7/8		Jan 16	250	14
8 7/8	Bemis Company, Inc.	Jan 14	750	2
8 3/4	Borg-Warner Corporation	Jan 7	2,000	1
8 7/8		Jan 14	500	7
8 7/8		Jan 20	500	11
8 7/8		Jan 23	2,000	2
9	John Breuner Company	Jan 12	450	1
9		Jan 28	250	15
8 3/4	Burroughs Corporation	Jan 2	150	4
8 3/4		Jan 7	125	9
9	Butler Finance Co.	Jan 8	300	11
9 1/8	Carco Acceptance Corporation (Wholly owned subsidiary of Pacific Car & Foundry Co.)	Jan 29	400	15
8 7/8	Central Soya Company, Inc.	Jan 16	1,000	3
9	Cessna Finance Corporation	Jan 15	100	29
9 1/8	Chadbourn Inc.	Jan 28	1,500	15
8 7/8	Chesapeake & Potomac Telephone Company of Virginia	Jan 13	100	7
8 7/8	Cluett, Peabody & Co., Inc.	Jan 21	1,000	23
9	Commonwealth Telephone Company	Jan 20	700	3
9	Crompton Richmond Co., Inc. Factors (R-I)	Jan 14	500	22
8 3/4	Dan River Mills, Inc.	Jan 7	500	9
8 7/8		Jan 27	800	14
8 7/8	Del Monte Corporation	Jan 19	1,600	15
8 7/8		Jan 22	500	2
8 7/8	Di Giorgio Corporation	Jan 7	500	32
8 3/4	Dole Company (A Division of Castle & Cooke, Inc.)	Jan 8	3,000	4
8 7/8	Dresser Industries, Inc.	Jan 21	2,000	9
9	EAC Credit Corporation	Jan 22	250	7
9		Jan 28	500	7
9 1/8	Equilease Corporation	Jan 15	100	22
8 3/4	Fruehauf Corporation	Jan 5	1,500	11
8 3/4		Jan 9	1,200	7
8 7/8		Jan 12	1,100	15
8 7/8		Jan 14	300	7
8 7/8		Jan 19	1,000	7
8 7/8		Jan 20	2,000	4
8 7/8		Jan 21	1,500	3
8 3/4	GAF Corporation	Jan 6	2,000	11
8 7/8		Jan 12	2,600	11
8 7/8	General Cable Corporation	Jan 21	500	22
8 3/4	Genesco, Inc.	Jan 6	500	44
8 3/4		Jan 7	250	38
8 7/8		Jan 19	2,000	21
8 7/8		Jan 22	1,000	21
8 3/4	Georgia Power Co. (R)	Jan 5	700	14
8 3/4		Jan 9	1,350	23
8 7/8		Jan 16	200	18
8 3/4	The B. F. Goodrich Company	Jan 8	5,000	3
8 3/4		Jan 12	2,750	1

8 7/8	Goodyear Tire & RubberCo.	Jan 22	1,000	9
8 7/8		Jan 27	18/1000-22/1000	18/22
8 7/8		Jan 28	1,000	18
9	Handy & Harman	Jan 15	200	16
9 1/8	Haverty Furniture Companies Inc.	Jan 28	650	16
8 7/8	Houston Natural Gas Corp.	Jan 13	500	16
8 7/8		Jan 27	1,000	2
9	IDS Leasing Corporation	Jan 7	100	9
	(Wholly owned subsidiary of Investors Diversified Services Inc.)			
9 1/8		Jan 13	400	3
9 1/8		Jan 20	300	4
9 1/8		Jan 23	500	7
8 7/8	International Salt Company	Jan 15	100	35
8 7/8	Jones & Laughlin Steel Corporation	Jan 28	1,700	8
9	Jonathan Logan Inc.	Jan 12	200	16
8 3/4	Lone Star Gas Company	Jan 2	1,000	8
8 3/4		Jan 7	500	4
9	M. Lowenstein & Sons, Inc.	Jan 19	2,000	3
9		Jan 26	400	22
8 7/8	Macy Credit Corporation	Jan 9	11/100-3/100	11/3
9	Mattel, Inc.	Jan 12	2,000	4
9		Jan 15	400	18
8 3/4	May Department Stores Inc.	Jan 7	250	18
8 7/8		Jan 13	1,250	18
8 7/8		Jan 16	750	14
8 7/8		Jan 20	250	18
8 7/8		Jan 23	500	11
8 7/8		Jan 27	750	15
8 7/8		Jan 29	500	21
8 7/8		Jan 30	500	8
8 3/4	Michigan Bell Telephone Company	Jan 8	1,500	1
8 7/8	The National Cash Register Company	Jan 12	500	4
8 3/4	Niagara Mohawk Power Corporation	Jan 8	800	1
8 7/8	Northern Natural Gas Company	Jan 22	1,250	15
8 7/8	Northern States Power Company	Jan 23	250	14
8 8/4	Penn Central Transportation Company	Jan 2	1,000	44
8 7/8		Jan 13	500	4
8 7/8		Jan 16	1,500	18
8 7/8		Jan 29	600	4
8 7/8	Pepsi Cola Equipment Corporation (R)**	Jan 19	7/200-38/200	7/38
	(Guaranteed by Pepsico, Inc.)			
8 7/8		Jan 23	500	7
8 7/8		Jan 29	1,000	21
8 7/8	Potomac Electric Power Company	Jan 26	1,100	
8 7/8	Public Service Company of New Hampshire	Jan 9	500	1
9		Jan 28	1,000	7
8 7/8	Ralston Purina Company	Jan 29	500	
8 3/4	Schenley Industries Inc.	Jan 6	600	11
8 7/8		Jan 12	100	8
8 7/8		Jan 23	500	22
8 7/8	Joseph E. Seagram & Sons, Inc.	Jan 30	250	18
8 3/4	The Signal Cos., Inc.	Jan 7	1,000	23
8 7/8		Jan 13	1,000	22
8 7/8		Jan 29	1,500	15
8 3/4	Sperry Rand Financial Corporation	Jan 5	500	24
8 3/4		Jan 7	200	11
8 7/8		Jan 14	2,100	9
8 7/8		Jan 27	2,200	15
8 7/8		Jan 29	1,000	7
8 7/8	Sperry Rand Corporation	Jan 20	250	2
8 7/8	J.P. Stevens & Co., Inc.	Jan 12	1,000	4
8 7/8	Stokely Van Camp, Inc.	Jan 29	4,500	18
8 7/8	Sunbeam Corporation	Jan 14	1,750	14
8 3/4	Texas Eastern Transmission Corporation	Jan 8	18/250-23/250	18/23
8 7/8		Jan 21	1,500	15
8 7/8		Jan 22	1,950	8
8 7/8		Jan 28	8/250-15/250	8/15
8 7/8	Trunkline Gas Co.	Jan 27	2,900	11
8 3/4	United Merchants & Manufacturers, Inc.	Jan 6	1,000	30
8 3/4		Jan 8	500	36
8 7/8		Jan 12	2,000	23
8 7/8		Jan 22	1,000	36
8 7/8		Jan 28	500	43

8 7/8	Universal Leaf Tobacco Company, Inc.	Jan 7	500	36
9		Jan 29	800	9
8 7/8	U.S. Industries Inc.	Jan 20	1,000	25
9	Vendo Company	Jan 22	200	8
8 7/8	Vulcan Materials Co.	Jan 8	600	24
9	Wayne Gossard Corp.	Jan 30	350	7
8 7/8	West Point-Pepperell Inc,	Jan 29	5,000	1
8 7/8	Western Publishing Co., Inc.	Jan 9	350	14
9		Jan 23	1,050	7
9	Zale Corporation	Jan 13	500	24
9		Jan 22	1,000	4
9		Jan 26	1,100	16

TOTAL JANUARY MATURITIES - 143,375

FEBRUARY MATURITIES

8 7/8	Allegheny Ludlum Steel Corp.	Feb 10	750	9
8 7/8		Feb 11	1,000	8
9	Amalgamated Sugar Co.	Feb 10	1,000	4
9	Amfac Financial Corporation (Guaranteed by Amfac, Inc.)	Feb 6	400	8
8 7/8	Anderson, Clayton & Co., Inc.	Feb 4	500	21
8 7/8	Arcata National Corporation	Feb 3	1,800	8
9	The Bankers Investment Company	Feb 3	200	1
8 7/8	Burroughs Corporation	Feb 18	1,900	1
9 1/8	Chadbourn Inc.	Feb 10	600	9
8 7/8	Cluett, Peabody & Co., Inc.	Feb 2	250	16
8 7/8		Feb 10	22/500-11/500	22/11
8 7/8		Feb 13	500	7
8 7/8		Feb 17	1,000	2
9	Crompton-Richmond Co., Inc. Factors (R-I)	Feb 4	500	9
9	Dan River Mills, Inc.	Feb 5	1,250	16
9		Feb 11	700	8
8 7/8	Ex-Cell-O Corp.	Feb 3	500	16
8 7/8	General Cable Corporation	Feb 3	500	16
9	Hoerner Waldorf Corporation	Feb 5	500	8
8 7/8	Jones & Laughlin Steel Corporation	Feb 9	1,500	15
9	Kayser Roth Corporation	Feb 5	500	15
9		Feb 11	500	8
9		Feb 19	1,000	1
9	Jonathan Logan, Inc.	Feb 3	500	9
9		Feb 10	250	4
9	M. Lowenstein & Sons, Inc.	Feb 4	600	8
9		Feb 10	1,500	9
9	NLT Corporation	Feb 4	500	15
8 7/8	National Service Industries Inc.	Feb 5	2,700	14
8 7/8	Penn Central Transportation Company	Feb 3	1,000	16
8 7/8		Feb 10	1,000	16
8 7/8	Pepsi Cola Equipment Corporation (R)** (Guaranteed by Pepsico, Inc.)	Feb 5	1,000	28
8 7/8	Potomac Electric Power Company	Feb 16	1,000	3
8 7/8	Schenley Industries Inc.	Feb 6	2,250	4
8 7/8		Feb 10	1,500	3
8 7/8	Joseph E. Seagram & Sons Inc.	Feb 6	500	11
8 7/8		Feb 11	4,000	7
8 7/8	Sperry Rand Financial Corporation	Feb 13	115	3
8 7/8	Texas Eastern Transmission Corporation	Feb 4	750	4
8 7/8		Feb 6	1,250	3
8 7/8	United Merchants & Manufacturers Inc.	Feb 2	1,500	8
8 7/8		Feb 4	500	11
8 7/8		Feb 10	1,800	2
8 7/8	U.S. Industries Inc.	Feb 5	3,500	4
9	The Vendo Company	Feb 11	500	1
9	Woodward & Lothrop, Inc.	Feb 10	1,700	9
9	Zale Corporation	Feb 3	1,000	8
9		Feb 10	900	1

TOTAL FEBRUARY MATURITIES - 52,165

MARCH MATURITIES

8 7/8	Chrysler Corporation	Mar 16	2,700	2
9	Hanes Corporation	Mar 12	500	9
9		Mar 19	800	2

TOTAL MARCH MATURITIES - 4,000

APRIL MATURITIES

1419a

9	Hanes Corporation	Apr 23	100	1x100

TOTAL APRIL MATURITIES - 100

F.N.M.A. ON HAND - 10220

EXIM ON HAND -

TOTAL REPOS - 134,500

C/P ON HAND - 222,190

C/P ENGAGED - 0

C/P INVENTORY - 222, 190

(R) DENOTES RESTRICTION LIST

(R)** SUBJECT TO SPECIAL RESTRICTION NOT TO BE SHOWN ON ANY PRINTED OFFERINGS.

1420a

Mr. Hyman Weinberg

COMMERCIAL PAPER 1:30 P.M.E.S.T. NOVEMBER 20, 1969

YIELDS

	30-44	45-59	60-89	90-119	120-179	180-270
8	8.054-079	8.081-106	8.108-161	8.163-217	8.218-331	8.333-511
8 1/8	8.180-206	8.208-234	8.236-291	8.293-349	8.351-467	8.469-662
8 1/4	8.307-334	8.335-363	8.365-421	8.423-481	8.483-602	8.604-794
8 3/8	8.433-461	8.463-491	8.493-552	8.554-613	8.615-739	8.741-936
8 1/2	8.561-589	8.591-620	8.622-682	8.685-746	8.748-875	8.877-9.078
8 5/8	8.687-717	8.719-749	8.751-813	8.815-873	8.880-9.011	9.014-9.222
8 3/4	8.814-845	8.847-877	8.879-943	8.946-9.011	9.013-148	9.150-365
8 7/8	8.941-972	8.975-9.006	9.008-074	9.076-143	9.146-285	9.287-509

EXIMBANK RATES & EQUIVALENT BOND YIELDS

NOT AVAILABLE

F.N.M.A. RATES EQUIVALENT BOND YIELDS

30-59**	60-89	90-179	180-270
7(7.14-7.18)	7.25(7.44-7.48)	7.50(7.75-7.90)	7.65(8.06-8.12)

**No december Maturity Available

F.N.M.A.

7	Nov 24	50	2x25
7	Dec 17	2,700	2x1000 1x500 2x100
7	Dec 29	100	1x100
7.15	Jan 2	150	6x25
7.15	Jan 5	300	3x100
7.20	Jan 12	100	1x100
7.20	Jan 20	100	1x100
7.60	Feb 27	700	5x100 8x25
7.65	Apr 14	200	2x100
7.70	May 15	100	1x100
7.75	Jun 15	5,720	5x1000 2x10 6x100 4x25

NOVEMBER MATURITIES

				NUMBER OF DAYS IN INVENTORY
8 3/4	Foremost McKesson, Inc.	Nov 28	200	2
8 3/4	Georgia-Pacific Corporation	Nov 26	500	2
8 3/4	Georgia Power Company (R)	Nov 25	100	38
8 3/4	Munsingwear Inc. (R)	Nov 25	100	28
8 3/4	Trunkline Gas Co.	Nov 26	400	2

TOTAL NOVEMBER MATURITIES - 1,500

DECEMBER MATURITIES

8 3/4	American Cable & Radio Corporation	Dec 23	1,000	30
8 3/4	American Standard Inc.	Dec 23	250	3
8 3/4		Dec 29	4,000	4
8 7/8	Amfac Financial Corporation (Guaranteed by Amfac Inc.)	Dec 23	100	46
8 3/4	Arcata National Corp.	Dec 2	300	4
8 3/4	The Bendix Corporation	Dec 31	500	7
8 7/8	Butler Manufacturing Co	Dec 22	700	1
8 3/4	Eltra Corporation	Dec 23	500	44
8 3/4	Evans Products Co.	Dec 5	100	15
8 3/4	Finserv Corporation	Dec 18	800	1
8 3/4	(Guaranteed by Studebaker-Worthington)	Dec 30	2000	11
8 3/4	General Tire & Rubber Company	Dec 30	2,000	4
8 3/4	International Salt Co	Dec 23	500	11
8 7/8	Lone Star Gas Company	Dec 1	100	-2
8 3/4	Pepsi Cola Equipment Corporation (R)** (Guaranteed by Pepsico Inc.)	Dec 29	700	1
8 7/8	Standard Knitting Mills Inc	Dec 2	100	58
8 3/4	Universal Leaf Tobacco Company, Inc.	Dec 19	1,000	25
8 3/4	U.S. Industries Inc.	Dec 23	500	37
8 7/8	The Vendo Company	Dec 4	300	22
8 3/4	Walgreen Co.	Dec 22	100	2
8 3/4		Dec 26	1,000	1
8 3/4	West Point-Pepperell Inc.	Dec 23	500	15
8 3/4		Dec 31	1,000	8
8 7/8	Zayre Corporation	Dec 24	3,000	14

TOTAL DECEMBER MATURITIES - 21,050

JANUARY MATURITIES

1421a

8 7/8	Allied Mills, Inc.	Jan 23	800	8
8 3/4	Allied Stores Credit Corporation	Jan 8	15/2500-20/300	15/20
9	Amalgamated Sugar Co.	Jan 28	500	4
8 3/4	American Cable & Radio Corporation	Jan 8	1,700	16
8 3/4	Amlac Financial Corporation (Guaranteed by Amlac Inc.)	Jan 8	100	25
8 7/8		Jan 22	1,000	15
8 3/4	Arcata National Corporation	Jan 5	2,000	8
8 3/4		Jan 7	700	24
8 7/8	Armstrong Rubber Company	Jan 15	500	18
8 7/8	Armco Steel Corporation	Jan 13	500	14
8 3/4	Avco Corporation	Jan 5	500	22
8 3/4		Jan 7	600	19
8 7/8		Jan 21	1,500	11
8 7/8		Jan 26	700	3
9	Beech Acceptance Corporation Inc./ Beech Aircraft Corporation	Jan 22	100	8
9		Jan 30	700	15
9	Belding-Heminway Co., Inc.	Jan 12	500	23
9 1/8		Jan 29	500	8
8 3/4	Bell & Howell Co.	Jan 5	250	9
8 3/4		Jan 7	250	16
8 7/8		Jan 13	350	4
8 7/8		Jan 16	250	14
8 7/8	Bemis Company, Inc.	Jan 14	750	2
8 3/4	Borg-Warner Corporation	Jan 7	2,000	1
8 7/8		Jan 14	500	7
8 7/8		Jan 20	500	11
8 7/8		Jan 23	2,000	2
9	John Breuner Company	Jan 12	450	1
9		Jan 28	250	15
8 3/4	Burroughs Corporation	Jan 2	150	4
8 3/4		Jan 7	125	9
9	Butler Finance Co.	Jan 8	300	11
9 1/8	Carco Acceptance Corporation (Wholly owned subsidiary of Pacific Car & Foundry Co.)	Jan 29	400	15
8 7/8	Central Soya Company, Inc.	Jan 16	1,000	3
9	Cessna Finance Corporation	Jan 15	500	29
9 1/8	Chadbourn Inc.	Jan 28	1,500	15
8 7/8	Chesapeake & Potomac Telephone Company of Virginia	Jan 13	100	7
8 7/8	Cluett, Peabody & Co., Inc.	Jan 21	1,000	23
9	Commonwealth Telephone Company	Jan 20	700	3
9	Crompton Richmond Co., Inc. Factors (R-I)	Jan 14	500	22
8 3/4	Dan River Mills, Inc.	Jan 7	500	9
8 7/8		Jan 27	800	14
8 7/8	Del Monte Corporation	Jan 19	1,600	15
8 7/8		Jan 22	500	2
8 7/8	Di Giorgio Corporation	Jan 7	500	32
8 3/4	Dole Company (A Division of Castle & Cooke, Inc.)	Jan 8	3,000	4
8 7/8	Dresser Industries, Inc.	Jan 21	2,000	9
9	EAC Credit Corporation	Jan 22	250	7
9		Jan 28	500	7
9 1/8	Equilease Corporation	Jan 15	100	22
8 3/4	Fruehauf Corporation	Jan 5	1,500	11
8 3/4		Jan 9	1,200	7
8 7/8		Jan 12	1,100	15
8 7/8		Jan 14	300	7
8 7/8		Jan 19	1,000	7
8 7/8		Jan 20	2,000	4
8 7/8		Jan 21	1,500	3
8 3/4	GAF Corporation	Jan 6	2,000	11
8 7/8		Jan 12	2,600	11
8 7/8	General Cable Corporation	Jan 21	500	22
8 3/4	Genesco, Inc.	Jan 6	500	44
8 3/4		Jan 7	250	38
8 7/8		Jan 19	2,000	21
8 7/8		Jan 22	1,000	21
8 3/4	Georgia Power Co. (R)	Jan 5	700	14
8 3/4		Jan 9	1,350	23
8 7/8		Jan 16	200	18
8 3/4	The B. F. Goodrich Company	Jan 8	5,000	3
8 3/4		Jan 12	2,750	1

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8 7/8	Goodyear Tire & RubberCo.	Jan 22	1,000	9
8 7/8		Jan 27	18/1000-22/1000	18/22
8 7/8		Jan 28	1,000	18
9	Handy & Harman	Jan 15	200	16
9 1/8	Haverty urniture Companies Inc.	Jan 28	650	16
8 7/8	Houston Natural Gas Corp.	Jan 13	500	16
8 7/8		Jan 27	1,000	2
9	IDS Leasing Corporation	Jan 7	100	9
	(Wholly owned subsidiary of Investors Diversified Services Inc.)			
9 1/8		Jan 13	400	3
9 1/8		Jan 20	300	4
9 1/8		Jan 23	500	7
8 7/8	International Salt Company	Jan 15	100	35
8 7/8	Jones & Laughlin Steel Corporation	Jan 28	1,700	8
9	Jonathan Logan Inc.	Jan 12	200	16
8 3/4	Lone Star Gas Company	Jan 2	1,000	8
8 3/4		Jan 7	500	4
9	M. Lowenstein & Sons, Inc.	Jan 19	2,000	3
9		Jan 26	400	22
8 7/8	Macy Credit Corporation	Jan 9	11/100-3/100	11/3
9	Mattel, Inc.	Jan 12	2,000	4
9		Jan 15	400	18
8 3/4	May Department Stores Inc.	Jan 7	250	18
8 7/8		Jan 13	1,250	18
8 7/8		Jan 16	750	14
8 7/8		Jan 20	250	18
8 7/8		Jan 23	500	11
8 7/8		Jan 27	750	15
8 7/8		Jan 29	500	21
8 7/8		Jan 30	500	8
8 3/4	Michigan Bell Telephone Company	Jan 8	1,500	1
8 7/8	The National Cash Register Company	Jan 12	500	4
8 3/4	Niagara Mohawk Power Corporation	Jan 8	800	1
8 7/8	Northern Natural Gas Company	Jan 22	1,250	15
8 7/8	Northern States Power Company	Jan 23	250	14
8 8/4	Penn Central Transportation Company	Jan 2	1,000	44
8 7/8		Jan 13	500	4
8 7/8		Jan 16	1,500	18
8 7/8		Jan 29	600	4
8 7/8	Pepsi Cola Equipment Corporation (R)**	Jan 19	7/200-38/200	7/38
	(Guaranteed by Pepsico, Inc.)			
8 7/8		Jan 23	500	7
8 7/8		Jan 29	1,000	21
8 7/8	Potomac Electric Power Company	Jan 26	1,100	
8 7/8	Public Service Company of New Hampshire	Jan 9	500	1
9		Jan 28	1,000	7
8 7/8	Ralston Purina Company	Jan 29	500	
8 3/4	Schenley Industries Inc	Jan 6	600	11
8 7/8		Jan 12	100	8
8 7/8		Jan 23	500	22
8 7/8	Joseph E. Seagram & Sons, Inc.	Jan 30	250	18
8 3/4	The Signal Cos., Inc.	Jan 7	1,000	23
8 7/8		Jan 13	1,000	22
8 7/8		Jan 29	1,500	15
8 3/4	Sperry Rand Financial Corporation	Jan 5	500	24
8 3/4		Jan 7	200	11
8 7/8		Jan 14	2,100	9
8 7/8		Jan 27	2,200	15
8 7/8		Jan 29	1,000	7
8 7/8	Sperry Rand Corporation	Jan 20	250	2
8 7/8	J.P. Stevens & Co., Inc.	Jan 12	1,000	4
8 7/8	Stokely Van Camp, Inc.	Jan 29	4,500	18
8 7/8	Sunbeam Corporation	Jan 14	1,750	14
8 3/4	Texas Eastern Transmission Corporation	Jan 8	18/250-23/250	18/23
8 7/8		Jan 21	1,500	15
8 7/8		Jan 22	1,950	8
8 7/8		Jan 28	8/250-15/250	8/15
8 7/8	Trunkline Gas Co.	Jan 27	2,900	11
8 3/4	United Merchants & Manufacturers, Inc.	Jan 6	1,000	30
8 3/4		Jan 8	500	36
8 7/8		Jan 12	2,000	23
8 7/8		Jan 22	1,000	38
8 7/8		Jan 28	500	43

8 7/8	Universal Leaf Tobacco Company, Inc.	Jan 7	500	36
9		Jan 29	800	9
8 7/8	U.S. Industries Inc.	Jan 20	1,000	25
9	Vendo Company	Jan 22	200	8
8 7/8	Vulcan Materials Co.	Jan 8	600	21
9	Wayne Gossard Corp.	Jan 30	350	7
8 7/8	West Point-Pepperell Inc,	Jan 29	5,000	1
8 7/8	Western Publishing Co., Inc.	Jan 9	350	14
9		Jan 23	1,050	7
9	Zale Corporation	Jan 13	500	24
9		Jan 22	1,000	4
		Jan 26	1,100	16

TOTAL JANUARY MATURITIES - 143,375

FEBRUARY MATURITIES

8 7/8	Allegheny Ludlum Steel Corp.	Feb 10	750	9
8 7/8		Feb 11	1,000	8
9	Amalgamated Sugar Co.	Feb 10	1,000	4
9	Amfac Financial Corporation (Guaranteed by Amfac, Inc.)	Feb 6	400	8
8 7/8	Anderson, Clayton & Co., Inc.	Feb 4	500	21
8 7/8	Arcata National Corporation	Feb 3	1,800	8
9	The Bankers Investment Company	Feb 3	200	1
8 7/8	Burroughs Corporation	Feb 18	1,900	1
9 1/8	Chadbourn Inc.	Feb 10	600	9
8 7/8	Cluett, Peabody & Co., Inc.	Feb 2	250	16
8 7/8		Feb 10	22/500-11/500	22/11
8 7/8		Feb 13	500	7
8 7/8		Feb 17	1,000	2
9	Crompton-Richmond Co., Inc. Factors (R-I)	Feb 4	500	9
9	Dan River Mills, Inc.	Feb 5	1,250	16
9		Feb 11	700	2
8 7/8	Ex-Cell-O Corp.	Feb 3	500	16
8 7/8	General Cable Corporation	Feb 3	500	16
9	Hoerner Waldorf Corporation	Feb 5	500	8
8 7/8	Jones & Laughlin Steel Corporation	Feb 9	1,500	15
9	Kayser Roth Corporation	Feb 5	500	15
9		Feb 11	500	8
9		Feb 19	1,000	1
9	Jonathan Logan, Inc.	Feb 3	500	9
9		Feb 10	250	4
9	M. Lowenstein & Sons, Inc.	Feb 4	600	8
9		Feb 10	1,500	9
9	NLT Corporation	Feb 4	500	15
8 7/8	National Service Industries Inc.	Feb 5	2,700	14
8 7/8	Penn Central Transportation Company	Feb 3	3,000	16
8 7/8		Feb 10	1,000	16
8 7/8	Pepsi Cola Equipment Corporation (R)** (Guaranteed by Pepsico, Inc.)	Feb 5	1,000	28
8 7/8	Potomac Electric Power Company	Feb 16	1,000	3
8 7/8	Schenley Industries Inc.	Feb 6	2,250	4
8 7/8		Feb 10	1,500	3
8 7/8	Joseph E. Seagram & Sons Inc.	Feb 6	500	11
8 7/8		Feb 11	4,000	7
8 7/8	Sperry Rand Financial Corporation	Feb 13	115	3
8 7/8	Texas Eastern Transmission Corporation	Feb 4	750	4
8 7/8		Feb 6	1,250	3
8 7/8	United Merchants & Manufacturers Inc.	Feb 2	1,500	8
8 7/8		Feb 4	500	11
8 7/8		Feb 10	1,800	2
8 7/8	U.S. Industries Inc.	Feb 5	3,500	4
9	The Vendo Company.	Feb 11	500	1
9	Woodward & Lothrop, Inc.	Feb 10	1,700	9
9	Zale Corporation	Feb 3	1,000	8
9		Feb 10	900	1

TOTAL FEBRUARY MATURITIES - 52,165

MARCH MATURITIES

8 7/8	Chrysler Corporation	Mar 16	2,700	2
9	Hanes Corporation	Mar 12	500	9
9		Mar 19	800	2

TOTAL MARCH MATURITIES - 4,000

1424a

APRIL MATURITIES

9	Hanes Corporation	Apr 23	100	1x100

TOTAL APRIL MATURITIES - 100

F.N.M.A. ON HAND - 10220

EXIM ON HAND -

TOTAL REPOS - 134,500

C/P ON HAND - 222,190

C/P ENGAGED - 0

C/P INVENTORY - 222, 190

(R) DENOTES RESTRICTION LIST

(R)** SUBJECT TO SPECIAL RESTRICTION NOT TO BE SHOWN ON ANY PRINTED OFFERINGS.

YIELDS

	30-44	45-59	60-89	90-119	120-179	180-270
8	8.054-079	8.081-106	8.108-161	8.163-217	8.218-331	8.333-511
8 1/8	8.180-206	8.208-234	8.236-291	8.293-349	8.351-467	8.469-662
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8 1/2	8.561-589	8.591-620	8.622-682	8.685-746	8.748-875	8.877-9.078
8 5/8	8.687-717	8.719-749	8.751-813	8.815-873	8.880-9.011	9.014-9.222
8 3/4	8.814-845	8.847-877	8.879-943	8.946-9.011	9.013-148	9.150-365
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EXIMBANK RATES & EQUIVALENT BOND YIELDS

NOT AVAILABLE

F.N.M.A. RATES EQUIVALENT BOND YIELDS

30-59**	60-89	90-179	180-270
7(7.14-7.18)	7.25(7.44-7.48)	7.50(7.75-7.90)	7.65(8.06-8.12)

**No december Maturity Available

	Days	D/D	F.N.M.A.				
7	11/17	4	Nov 24	50		2x25	
7	11/	3	Dec 17	2,700	2x1000	1x500	2x100
7	11/17	4	Dec 29	100		1x100	
7.15			Jan 2	~~150~~ 50		6x25	
7.15			Jan 5	300		3x100	
7.20			Jan 12	100		1x100	
7.20			Jan 20	100		1x100	
7.60			Feb 27	700		5x100	8x25
7.65			Apr 14	200		2x100	
7.70			May 15	100		1x100	
7.75			Jun 15	5,720	5x1000 2x10	6x100	4x25

NOVEMBER MATURITIES

8 7/8	Foremost McKesson, Inc.	11/19	Nov 28	2	200	400	2x100
8 7/8	Georgia-Pacific Corporation	11/19	Nov 26	2	500	1000	1x500
8 3/4	Georgia Power Company (R)	10/14	Nov 25	38	100	3800	1x100
8 5/8	Munsingwear Inc. (R)	10/24	Nov 25	28	100	2800	1x100
8 5/8	Trunkline Gas Co.	11/19	Nov 26	2	400	800	4x100
	TOTAL NOVEMBER MATURITIES - 1,500						

DECEMBER MATURITIES

8 3/4	American Cabel & Radio Corporation	10/27	Dec 23	30	1,000	30,000	2x500
8 3/4	American Standard Inc.	11/18	Dec 23	3	250	750	1x250
8 3/4		11/17	Dec 29	4	4,000	16000	8x500
9 1/8 ~~8 7/8~~	Amfac Financial Corporation (Guaranteed by Amfac Inc.)	10/6	Dec 23	46	100	4600	1x100
8 3/4	Arcata National Corp.	11/17	Dec 2	4	300	1200	3x100
~~8 3/4~~	~~Associated Dry Goods Credit Corp.~~		~~Dec 3~~	~~5~~	~~1,000~~	~~5000~~	~~2x500~~
8 3/4	The Bendix Corporation	11/14	Dec 31	7	500	3500	1x500
8 7/8	Butler Manufacturing Co	11/20	Dec 22	1	700	700	2x250 2x100
9 ~~8 3/4~~	Eltra Corporation	10/5	Dec 23	44	500	2200	1x500
8 1/8	Evans Products Co.	11/6	Dec 5	15	100	1500	1x100
8 3/4	Finserv Corporation	11/20	Dec 18	1	800	800	1x500 3x100
8 3/4	(Guaranteed by Studebaker-Worthington)	11/10	Dec 30	11	2000	22000	4x500
8 3/4	General Tire & Rubber Company	11/17	Dec 30	4	(2,000)	8000	4x500
8 3/4	International Salt Co	11/10	Dec 23	11	500	5500	1x500
8 7/8	Lone Star Gas Company	11/19	Dec 1	2	100	200	1x100
8 3/4	Pepsi Cola Equipment Corporation (R) (Guaranteed by Pepsico Inc.)	**11/20	Dec 29	1	700	700	1x500 2x100
9 1/8 ~~8 7/8~~	Standard Knitting Mills Inc.	9/24	Dec 2	58	100	5800	1x100
8 5/8	Universal Leaf Tobacco Company, Inc.	10/27	Dec 19	25	1,000	25000	1x500 2x250
8 7/8	U.S. Industries Inc.	11/5	Dec 23	37	500	18500	1x500
8 5/8	The Vendo Company	10/30	Dec 4	22	300	6600	3x100
8 3/4	Walgreen Co.	11/7	Dec 22	2	100	200	1x100
8 3/4		11/20	Dec 26	41	1,000	NY-11/24	2x500 D/D @ 1000
8 1/2	West Point-Pepperell Inc.	11/6	Dec 23	15	500	7500	1x500
8 3/4		11/13	Dec 31	8	(1,000)	8000	2x500
8 3/4	Zayre Corporation	11/7	Dec 24	14	3000	42000	6x500
	TOTAL DECEMBER MATURITIES - 21,050						
	Sperry Rand	11/20	Jan 8	(1)	1600	1600	

8 11/14	Goodyear Tire & RubberCo.		Jan 22 9	1,000	71,000	1x1000	
8 7/8 11/3			Jan 27	2,000	170000	2x1000	
8 7/8 - 11/3			Jan 28	1,000	90000	1x1000	
9 11/5	Handy & Harman ? date/note		Jan 15 16	200	6000	2x100	
11/5 9 7/8	Haverty Furniture Companies Inc.		Jan 28 16	650	54,600	6x100	1x50
11/5 8 7/8	Houston Natural Gas Corp.		Jan 13 16	500	34,500	2x250	
11/6 8 7/8 ?	- date/note		Jan 27 2	1,000	?	4x250	
11/6 9	IDS Leasing Corporation		Jan 7 9	100	6100	1x100	
	(Wholly owned subsidiary of Investors Diversified Services Inc.)						
11/14 9 7/8			Jan 13 3	400	22400	4x100	
11/7 9 7/8			Jan 20 4	300	19,200	3x100	
11/4 9 7/8			Jan 23 7	500	3500	2x250	
10/28 7/8	International Salt Company		Jan 15 35	100	3500	1x100	
11/28 7/8	Jones & Laughlin Steel Corporation		Jan 28 8	1,700	13,600	3x500	2x100
11/5 9	Jonathan Logan Inc.		Jan 12 16	200	~~6000~~ 3200	2x100	
11/3 8 3/4	Lone Star Gas Company		Jan 2 8	1,000	8000	1x500	2x250
11/28 3/4			Jan 7 4	500	2000	2x250	
11/2 9	M. Lowenstein & Sons, Inc.		Jan 19 3	2,000	6.000	3x500	5x100
10/30 9			Jan 26 22	400	8800	4x100	
11/20 8 7/8	Macy Credit Corporation		Jan 9 7	200	2800	2x100	
11/27 9	Mattel, Inc.		Jan 12 4	2,000	8.000	3x500	5x100
11/3 9			Jan 15 18	400	7200	4x100	
11/3 8 3/4	May Department Stores Inc.		Jan 7 18	250	4500	1x250	
11/3 8 7/8			Jan 13 18	1,250	22,500	1x500	3x250
11/7 8 7/8			Jan 16 14	750	10.500	3x250	
11/13 8 7/8			Jan 20 18	250	4500	1x250	
11/10 8 7/8			Jan 23 11	500	5500	1x500	
11/6 8 7/8			Jan 27 15	750	11.250	1x500	1x250
10/31 8 7/8			Jan 29 21	500	10,500	1x500	
11/13 8 7/8			Jan 30 8	500	4.000	1x500	
11/14 8 3/4	Michigan Bell Telephone Company		Jan 8 1	1,500	1500	3x500	
11/28 7/8	The National Cash Register Company		Jan 12 4	500	2000	1x500	
11/14 8 3/4	Niagara Mohawk Power Corporation		Jan 8 1	800	800	1x500	3x100
11/6 8 7/8	Northern Natural Gas Company		Jan 22 15	1,250	18750	1x500	3x250
11/28 7/8	Northern States Power Company		Jan 23 14	250	3506	1x250	
10/28 8 3/4	Penn Central Transportation Company		Jan 2 [illegible] 44	1,000	44000	2x500	
11/28 7/8			Jan 13 4	500	2000	1x500	
11/3 8 7/8			Jan 16 18	1,500	27000	3x500	
11/28 7/8			Jan 29 4	600	2400	1x500	1x100
11/14 8 7/8	Pepsi Cola Equipment Corporation (R)**		Jan 19 7 [illegible] 38	400	1400 7600	4x100	
	(Guaranteed by Pepsico, Inc.)						
~~11/7~~ 8 7/8 11/14			Jan 23 7	500	3500	5x100	
~~11/7~~ 8 7/8 10/31			Jan 29 21	1,000	21000	1x500	5x100
8 7/8 ?	~~Potomac Electric Power Company~~		Jan 26 [illegible]	1,100 ?		2x500	1x100
11/28 8 7/8	Public Service Company of New Hampshire		Jan 9 1	500	500	1x500	
11/4 9			Jan 28 7	1,000	7000	2x500	
8 7/8 ?	~~Ralston Purina Company~~		~~Jan 29~~	~~500~~		1x500	
11/6 8 3/4	Schenley Industries Inc.		Jan 6 11	600	6600	1x500	1x100
11/3 8 7/8			Jan 12 8	100	800	1x100	
10/28 7/8			Jan 23 22	500	11000	1x500	
11/3 8 7/8	Joseph E. Seagram & Sons, Inc.		Jan 30 18	250	4500	1x250	
10/28 8 3/4	The Signal Cos., Inc.		Jan 7 23	1,000	23000	2x500	
10/31 8 7/8			Jan 13 22	1,000	22000	1x1000	
11/4 8 7/8			Jan 29 15	1,500	23500	1x1000	1x500
10/28 8 3/4	Sperry Rand Financial Corporation		Jan 5 24	500	12000	1x500	
11/6 8 3/4			Jan 7 11	200	2200	2x100	
~~11/6~~ 8 7/8 11/14			Jan 14 9	2,100	18900	3x500	6x100
~~11/6~~ 8 7/8 11/6			Jan 27 15	2,200	33000	4x500	2x100
~~11/6~~ 8 7/8 11/14			Jan 29 7	1,000	7000	1x500	2x250
11/14 8 7/8	Sperry Rand Corporation		Jan 20 2	250	500	1x250	
11/28 7/8	J.P. Stevens & Co., Inc.		Jan 12 4	1,000	4000	2x500	
11/28 8 7/8	Stokely Van Camp, Inc.		Jan 29 18	4,500	81080	9x500	
11/28 8 7/8	Sunbeam Corporation		Jan 14/4	1,750	24500	1x1000	3x250
11/28 8 3/4	Texas Eastern Transmission Corporation		Jan 8 7 [illegible] 18	500	4500	2x250	
10/28 8 7/8			Jan 21 15 - 23	1,500	5750 23500	2x500	2x250
11/3 8 7/8			Jan 22 8	1,950	15600	2x500	2x250 1x450
~~11/6~~ 8 7/8			Jan 28 7 5	500	3005 3750	2x250	
11/28 8 7/8	Trunkline Gas Co.		Jan 27 11	2,900	31900	4x500	9x100
11/28 8 3/4	United Merchants & Manufacturers, Inc.		Jan 6 30	1,000	30000	2x500	
10/28 8 3/4			Jan 8 36	500	18000	1x500	
10/28 8 7/8			Jan 12 23	2,000	46000	4x500	
11/28 8 7/8			Jan 22 38	1,000	38000	2x500	
10/28 8 7/8			Jan 28 43	500	21500	1x500	

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11/6	8	7/8	Universal Leaf Tobacco Company, Inc.	Jan 7	36	500	18000	1x500
11/17	9			Jan 29	9	800	1700	1x500 3x100
4/27	8	7/8	U.S. Industries Inc.	Jan 20	25	1,000	25,000	2x500
11/15	9		Vendo Company	Jan 22	8	200	1600	2x100
10/31	8	7/8	Vulcan Materials Co.	Jan 8	21	600	12600	1x500 1x100
11/14	9		Wayne Gossard Corp.	Jan 30	7	350	2450	3x100 1x50
11/20	8	7/8	West Point-Pepperell Inc.	Jan 29	1	5,000	5000	9x500 5x100
11/7	8	7/8	Western Publishing Co., Inc.	Jan 9	14	350	4900	1x250 1x100
11/14	9			Jan 23	7	1,050	7350	3x250 3x100
10/28	9		Zale Corporation	Jan 13	24	500	1200	1x500
11/7	9			Jan 22	4	1,000	4000	2x500
11/5	9			Jan 26	16	1,100	17600	2x500 1x100

TOTAL JANUARY MATURITIES - 143,375

FEBRUARY MATURITIES

11/17	8 7/8	Allegheny Ludlum Steel Corp.	8¼	Feb	10	9	750 1,750	1x500 1x250
11/13	8 7/8		8¾	Feb	11	3	1,000 3,000	4x250
11/17	9	Amalgamated Sugar Co.	8⅞	Feb	10	4	1,000 4000	2x500
11/13	9	Amfac Financial Corporation (Guaranteed by Amfac, Inc.)	8⅞	Feb	6	3	400 3200	4x100
10/31	8 7/8	Anderson, Clayton & Co., Inc.	8½	Feb	4	2	500 10,500	1x500
11/17	8 7/8	Arcata National Corporation	8¼	Feb	3	3	1,800 14,400	3x500 3x100
11/20	9	The Bankers Investment Company	9⅜	Feb	3	1	200 200	2x100
11/20	8 7/8	Burroughs Corporation	8⅞	Feb	18	1	1,900 1900	3x500 4x100
11/17	9 1/8	Chadbourn Inc.	9½	Feb	10	9	600 5400	5x500 1x100
11/5	8 7/8	Cluett, Peabody & Co., Inc.	8½	Feb	2	16	250 4000	1x250
11/10	8 7/8		8⅜	Feb	10	11	1,000 33,000	2x500
11/14	8 7/8		8¾	Feb	13	7	500 3,500	1x500
11/19	8 7/8		8¼	Feb	17	2	1,000 2000	2x500
11/17	9	Crompton-Richmond Co., Inc. Factors (R-I)	⅞	Feb	4	9	500 4500	5x100
11/5	9	Dan River Mills, Inc.	8¾	Feb	5	16	1,250 20,000	2x500 1x250
11/19	9		8⅞	Feb	11	2	700 1400	1x500 2x100
11/5	8 7/8	Ex-Cell-O Corp.	8⅝	Feb	3	16	500 8000	1x500
11/5	8 7/8	General Cable Corporation	8½	Feb	3	16	500 8000	1x500
11/13	9	Hoerner Waldorf Corporation	8⅞	Feb	5	8	500 4000	2x250
11/6	8 7/8	Jones & Laughlin Steel Corporation	8¾	Feb	9	15	1,500 22,500	3x500
11/6	9	Kayser Roth Corporation	8⅝	Feb	5	15	500 7500	1x500
11/13	9		8⅞	Feb	11	8	500 4000	1x500
11/20	9		9	Feb	19	1	1,000 1000	1x500 5x100
11/17	9	Jonathan Logan, Inc.	8⅜	Feb	3	9	500 4500	1x500
11/13	9		8⅞	Feb	10	4	250 1000	1x250
11/17	9	M. Lowenstein & Sons, Inc.	8¾	Feb	4	8	600 4800	1x500 1x100
11/6	9		8⅛	Feb	10	9	1,500 13500	3x500
11/7	8 7/8	NLT Corporation	8⅞	Feb	4	15	500 7500	1x500
11/5	8 7/8	National Service Industries Inc.	8⅝	Feb	5	14	2,700 44,800	2x100 Small
11/5	8 7/8	Penn Central Transportation Company	8½	Feb	3	16	3,000 48,000	6x500
10/[illegible]	8 7/8		8½	Feb	10	16	1,000 16,000	2x500
11/18	8 7/8	Pepsi Cola Equipment Corporation (R)** (Guaranteed by Pepsico, Inc.)	8⅛	Feb	5	28	1,000 28,000	1x500 5x100
11/17	8 7/8	Potomac Electric Power Company	8¾	Feb	16	3	1,000 3,000	2x500
11/18	8 7/8	Schenley Industries Inc.	8¾	Feb	6	4	2,250 9,000	4x500 1x250
11/10	8 7/8	Joseph E. Seagram & Sons Inc.	8⅞	Feb	10	3	1,500 4500	2x500 2x250
11/4	8 7/8		8¾	Feb	6	11	500 5500	1x500
11/18	8 7/8	Sperry Rand Financial Corporation	8¾	Feb	11	7	4,000 28,000	2x1000 4x500
11/17	8 7/8	Texas Eastern Transmission Corporation	8¾	Feb	13	3	115 345	1x115
11/18	8 7/8		8¾	Feb	4	4	750 3,000	3x250
11/13	8 7/8	United Merchants & Manufacturers Inc.	8¾	Feb	6	3	1,250 3,750	2x500 1x250
11/10	8 7/8		8¾	Feb	2	8	1,500 12,000	3x500
11/19	8 7/8		8¾	Feb	4	11	500 5500	1x500
11/17	8 7/8	U.S. Industries Inc.	8¾	Feb	10	2	1,800 3,600	3x500 3x100
11/20	9	The Vendo Company	8¾	Feb	5	4	3,500 14,000	6x500 5x100
11/17	9	Woodward & Lothrop, Inc.	9⅛	Feb	11	1	500 500	5x100
11/13	9	Zale Corporation	8⅞	Feb	10	9	1,700 15,300	3x500 2x100
11/20	9		8¾	Feb	3	8	1,000 8000	2x500
			9	Feb	10	1	900 900	1x500 4x100

TOTAL FEBRUARY MATURITIES - 52,165

MARCH MATURITIES

11/14	8 7/8	Chrysler Corporation	8¾	Mar	16	2	2,700 5400	2x100 Small
11/17	9	Hanes Corporation	9	Mar	12	9	500 4500	1x500
11/19	9		9	Mar	19	2	800 1600	1x500 3x100

TOTAL MARCH MATURITIES - 4,000

B/S 4/20-11/5

APRIL MATURITIES

1429a

Hanes Corporation Apr 23 100 1x100

TOTAL APRIL MATURITIES - 100

F.N.M.A. ON HAND - 10220

EXIM ON HAND -

TOTAL REPOS - 134,500

C/P ON HAND - 222,190

C/P ENGAGED - 0

C/P INVENTORY - 222,190

(R) DENOTES RESTRICTION LIST

(R)** SUBJECT TO SPECIAL RESTRICTION NOT TO BE SHOWN ON ANY PRINTED OFFERINGS.

Dollar Days 2,775,920,000

Inventory 222,190

12.49 Days

Ex. FF: Manufacturers Hanover Trust Company approved list of commercial paper issuers, dated 8/69.

6/69

...ER LIST

NAME	A/C OFFICER	DEALER
Aleo Credit	C.S. Bishop	Goldman
Agency, Inc.	Wallingford	Goldman
Allied Chemical	C.S. Bishop	Lehman
Allied Stores Credit	C.B. Moran	Goldman
Allis Chalmers Credit Corp.	McGillicuddy	Direct
Allstate Financial Corp.	McGillicuddy	Direct
American Brands Inc.	C.R. Parker	
American Credit Corp.	J.W. Cherry	Goldman
American Cable & Radio Corp.	C.S. Bishop	Goldman
American Electric Power	C.R. Parker	Lehman
American General Insurance	McGillicuddy	Lehman
American Investment	McGillicuddy	Goldman
American National Insurance	McGillicuddy	
Amsterdam Overseas Corp.	C.S. Bishop	Goldman
Armco Steel Corp.	McGillicuddy	Goldman
Arkansas Louisiana Gas Co.	McGillicuddy	Becker
Armour & Co.	McGillicuddy	Goldman
Associates Investment Co.	McGillicuddy	Direct
B-W Acceptance Corp.	McGillicuddy	Goldman
Bankers Investment Co.	McGillicuddy	Goldman
Beech Aircraft Corp.	McGillicuddy	Goldman
Belding Hemingway Co., Inc.	C.S. Bishop	Goldman
Bemis Co., Inc.	McGillicuddy	Goldman
Beneficial Finance Co.	J. Sullivan	Becker
Bethlehem Steel Corp.	J.Sullivan	Becker
Boise Cascade Corp.	McGillicuddy	Becker
Borg Warner Corp.	McGillicuddy	Goldman
Brooklyn Union Gas Co.	C.S. Bishop	Becker
Brown & Williamson Tobacco Co.	McGillicuddy	Lehman
Burlington Industries	J.W. Cherry	Becker
Burroughs Corp.	McGillicuddy	Goldman
C.I.T. Financial Corp.	C.R. Parker	Direct
C.N.A. Financial Corp.	McGillicuddy	Becker
Cargill Inc.	McGillicuddy	Becker
Carolina Tel.& Tel.Inc.	J.W. Cherry	Lehman
J.I. Case Credit	McGillicuddy	Goldman
Caterpillar Tractor Company	McGillicuddy	Lehman
Chessie Corp.	McGillicuddy	Goldman
Chrysler Corp.	McGillicuddy	Goldman
Chrysler Financial Corp.	McGillicuddy	Direct
Cincinnati Gas & Electric Co.	McGillicuddy	Becker
City Products Corp.	McGillicuddy	Goldman
Clark Equipment Credit	McGillicuddy	Becker
Cleveland Electric Illuminating Co.	McGillicuddy	Becker
Cluett, Peabody & Co.	G.B. Moran	Goldman
Columbia Gas System Inc.	C.R. Parker	Boston
Commercial Credit Co.	J. Sullivan	Direct
Commonwealth Edison Co.	McGillicuddy	1st Boston
Cone Mills Inc.	J.W. Cherry	Goldman
Consolidated Electric [illegible]	C.S. Bishop	Goldman

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	CATEGORY	A/C OFFICER	DEALER
Connecticut Light & Power Co.	I	Wallingford	Lehman
Consolidated Foods Corp.	I	McGillicuddy	Beck. & Lehm.
Consolidated Freightways	I	McGillicuddy	Becker
Container Corporation of Amer.	I	McGillicuddy	Goldman
Continental Can Co., Inc.	I	C.R. Parker	Goldman
Continental Oil Co.	I	G.B. Moran	Goldman
Creditthrift Finance Corp.	I	McGillicuddy	Becker
Crompton Company, Inc.	IV	G.B. Moran	Goldman
Crompton-Richmond Co., Inc.	IV	G.B. Moran	Goldman
Crown Cork & Seal Co., Inc.	I	John Sullivan	Becker
Crown Financial Corp.	I	J. Sullivan	Goldman
Curtiss-Wright Corp.	I	J. Sillivan	Goldman
Dan River Mills, Inc.	I	J.W. Cherry	Goldman
Dayton Power & Light	I	McGillicuddy	Becker
John Deer Credit	I	McGillicuddy	Goldman
Del Monte Corp.	I	McGillicuddy	Goldman
Detroit Edison Co.	I	McGillicuddy	Lehman
Diamond Shamrock Corp.	I	McGillicuddy	Becker
Diebold Incorporated	I	McGillicuddy	Goldman
Diners Club Inc.	IV	G.B. Moran	Goldman
Dow Chemical	I	McGillicuddy	Goldman
El Paso Electric Co.	I	McGillicuddy	Salomon
El Paso Natural Gas Co.	I	C.S. Bishop	Salomon
Family Finance	I	J. Sullivan	Goldman
Federated Department Stores Inc.	I	McGillicuddy	Becker
Federal-Mogul Corp.	I	McGillicuddy	
Florida Power Corp.	I	J.W. Cherry	Becker
Fidelity Corp. of Phila.	I	J. Sullivan	1st Boston
First Pennsylvania Corp.	I	J. Sullivan	1st Boston
Ford Motor Credit Corp.	I	McGillicuddy	Direct
Foremost McKesson Inc.	I	McGillicuddy	Goldman
Fruehauf Corp.	I	McGillicuddy	Goldman
Fruehauf Finance Co.	I	McGillicuddy	Goldman
G.A.F. Corp.	I	G.B. Moran	Goldman
Gamble-Skogmo	I	McGillicuddy	Becker
Georgia Inter'l. Finance Co.	III	J.W. Cherry	Goldman
General Acceptance Corp.	I	J. Sullivan	Becker
Georgia Pacific Corp.	I	McGillicuddy	Goldman
General Cable Corp.	I	G.B. Moran	Goldman
General Dynamics	IV	G.B. Moran	Goldman
General Electric Credit Corp.	I	C.R. Parker	Direct
General Finance Corp.	I	McGillicuddy	Becker
General Motors Acceptance Corp.	I	G.B. Moran	Direct
General Public Utilities Corp.	I	C.S. Bishop	Goldman
General Tire & Rubber	I	McGillicuddy	Goldman
Gehesco, Inc.	I	G.B. Moran	Goldman
B.F. Goodrich Co.	I	McGillicuddy	Goldman
Goodyear Tire & Rubber Co.	I	McGillicuddy	Goldman
W.T. Grant	I	G.B. Moran	Direct
Government Employees Corp.	I	John Sullivan	Goldman
Government Employees Financial Corp	I	J. Sullivan	Goldman
Grand Union Co.	I	J. Sullivan	Goldman
Greyhound Corp.	I	McGillicuddy	Salomon

	CATEGORY	A/C OFFICER	DEALER
Grinnel Corp.	I	Wallingford	Goldman
Gulf & Western Industries	I	G.B. Moran	Lehman
Gulf States Utilities Co.	I	McGillicuddy	Becker
Gulf Oil	I	McGillicuddy	Goldman
Hallmark Cards, Inc.	IV	G.B. Moran	Becker
Hartford National Bancorp.	I	Wallingford	
H.J. Heinz	I	McGillicuddy	Goldman
Walter E. Heller & Co., INc.	I	McGillicuddy	Direct
Hercules Inc.	I	J. Sullivan	Becker
Honeywell, Inc.	I	McGillicuddy	Becker
Household Finance Co.	I	McGillicuddy	Goldman
I.D.S. Leasing Co.	I	McGillicuddy	Goldman
International Silver Co.	I	Wallingford	Lehman
Iowa Illinois Gas. & Electric	I	McGillicuddy	Becker
Industrial Credit Co.	III	McGillicuddy	Goldman
Iowa Power & Light	I	McGillicuddy	Becker
Interco Inc.	I	McGillicuddy	Goldman
Interstate Securities	I	McGillicuddy	Becker
International Harvester Cr. Corp.	I	McGillicuddy	Direct
Iselin Jefferson Finance Corp.	IV	G.B. Moran	Goldman
Jewel Co.	I	McGillicuddy	Lehman
Jones & Laughlin Steel Corp.	I	McGillicuddy	Goldman
Kaiser Aluminum	I	McGillicuddy	Lehman
Kayser-Roth Corp.	I	A.S. Sawers	Goldman
S.S. Kresge	I	McGillicuddy	Goldman
Kroeger Co.	I	McGillicuddy	Becker
Libby, McNeil & Libby	I	McGillicuddy	Goldman
Liberty Loan	I	McGillicuddy	1st Boston
Liggett & Myers Tobacco	I	G.B. Moran	Becker
Litton Industries	I	McGillicuddy	Lehman
Lone Star Gas Co.	I	McGillicuddy	Goldman
Mack Financial	I	J. Sullivan	Salomon
Manhattan Industires	IV	G.B. Moran	Goldman
Macy's Credit	I	A.S. Sawers	Goldman
R.H. Macy's & Co., Inc.	I	A.S. Sawers	Goldman
Marine Midland Bank Inc.	I	Wallingford	1st Boston
Massachusetts Electric Co.	I	Wallingford	Becker
McGraw Edison Co.	I	McGillicuddy	Goldman
McGraw Hill Inc.	I	G.B. Moran	Goldman
The Mead Corp.	I	McGillicuddy	Goldman
Melville Shoe Corp.	I	G.B. Moran	Goldman
Midland Guardian	IV	McGillicuddy	Lehman
Montgomery Ward Corp.	I	McGillicuddy	Direct
Montgomery Ward Credit Corp.	I	McGillicuddy	Direct
Philip Morris	I	G.B. Moran	Goldman
National Fuel Gas Co.	I	G.B. Moran	Becker
National Steel Corp.	I	McGillicuddy	Goldman
Natural Gas Pipeline Co. of Amer.	I	McGillicuddy	1st Boston
J.J. Newberry Co.	I	A.S. Sawers	Goldman

CUSTOMER	CATEGORY	A/C OFFICER	DEALER
New England Power Co.	I	Wallingford	Becker
New York State Elec. & Gas Co.	I	Wallingford	Lehman
Northern Natural Gas Co.	I	McGillicuddy	Goldman
Northwest Bancorporation	I	McGillicuddy	1st Boston
Northwestern Bell Telephone Co.	I	McGillicuddy	Becker
New York Telephone	I	C.R. Parker	Becker
Occidental Petroleum	I	McGillicuddy	Becker
Ohio Power Co.	I	C.S. Bishop	Salomon
Orange & Rockland Utilities	I	Wallingford	Merril,Lyn
P.P.G. Industries	I	McGillicuddy	1st Boston
Penn Central Co.	I	J. Sullivan	Goldman
Pennsylvania Gas. & Water	I	J. Sullivan	Salomon
Pennsylvania Power & Light Co.	I	J. Sullivan	1st Boston
J.C. Penny Credit Corp.	I	G.B. Moran	Direct
Pennzoil United Inc.	I	McGillicuddy	Lehman
Phillips Petroleum	I	McGillicuddy	Goldman
Pillsbury Co.	I	McGillicuddy	Goldman
Puget Sound Power & Light Co.	I	McGillicuddy	Lehman
Public Loan Co.	III	Wallingford	Becker
Public Service Elec. & Gas Co.	I	J. Sullivan	Salomon
Pullman Inc.	I	McGillicuddy	1st Boston
R.C.A.	I	G.B. Moran	Salomon
Ralston Purina	I	McGillicuddy	Goldman
Rex Chainbelt Inc.	I	McGillicuddy	1st Boston
R.J. Reynolds Tobacco	I	J.W. Cherry	Becker
Salant & Salant Inc.	IV	G.B. Moran	Goldman
Samsonite Corp.	I	McGillicuddy	Goldman
Savings Bank Trust Co.	I	C.R. Parker	Salomon
Schenley Industries	IV	G.B. Moran	Goldman
Scott Paper Co.	I	J. Sullivan	Becker
Seaboard Finance Co.	I	McGillicuddy	Lehman
Joseph E. Seagrams	I	S.A. Trundle	Goldman
Sears Roebuck Acceptance Corp.	I	McGillicuddy	Direct
Skelly Oil Co.	I	McGillicuddy	Salomon
Shawmut Financial Corp.	I	Wallingford	
Singer Credit Corp.	I	G.B. Moran	Direct
South Carolina Elec. & Gas Co.	III	J.W. Cherry	Becker
Southern Bell Tel. & Tel.	I	J.W. Cherry	Salomon
Southern California Edison Co.	I	McGillicuddy	1st Boston
Southern Natural Gas Co.	I	J.W. Cherry	Becker
Springs Mills	I	J.W. Cherry	Goldman
Standard Brands Inc.	I	C.R. Parker	Lehman
Standard Financial Corp.	III	S.A. Trundle	Goldman
Standard Knitting Mills Inc.	IV	McGillicuddy	
J.P. Stevens & Co.	I	G.B. Moran	Goldman
Stokely Van Camp	I	McGillicuddy	Goldman
Strick Finance Co.	I	J. Sullivan	Goldman
Sunbeam Corp.	I	McGillicuddy	Goldman
Swift & Co.	I	McGillicuddy	Salomon
T.R.W. Inc.	I	McGillicuddy	Lehman
James Talcott, Inc.	I	G.B. Moran	Direct
Texas Gas Transmission Corp.	I	McGillicuddy	Becker
Texas Eastern Transmission	I	McGillicuddy	Goldman

	CATEGORY	A/C OFFICER	DEALER
[illegible], Inc.	I	Wallingford	Goldman
Idaho Edison Co.	I	McGillicuddy	1st Boston
Transamerica Financial Corp.	I	McGillicuddy	Direct
Transcontinental Gas Pipeline Co.	I	McGillicuddy	Lehman
Transwestern Pipeline Co.	I	McGillicuddy	Goldman
Union Carbide Corp.	I	C.R. Parker	Goldman
Union Oil of California	I	McGillicuddy	Becker
Uniroyal, Inc.	I	G.B. Moran	Salomon
United Concrete Pipe Mfg. Co.	III	J.W. Cherry	Becker
United Carr, Inc.	I	Wallingford	Goldman
United Merchants	I	G.B. Moran	Goldman
U.S. Pipe & Foundry Co.	I	JW Cherry	Becker
U.S. Tobacco Co.	I	G.B Moran	Goldman
Universal Leaf Tobacco Co.	I	J.W. Cherry	Goldman
Virginia Electric & Power Co.	I	J.W. Cherry	Becker
Warner Lambert Pharaceutical Co.	I	J. Sullivan	Goldman
Jim Walter Corp.	I	J. W. Cherry	Becker
West Point Pepperell	I	J.W. Cherry	Goldman
Westinghouse Credit Corp.	I	McGillicuddy	Direct
Western Electric Co., Inc.	I	C.S. Bishop	
Western Publishing Co.	I	McGillicuddy	Direct
Western Bancorporation	I	McGillicuddy	
White Motor Corp.	I	McGillicuddy	Goldman
White Motor Credit Corp.	I	McGillicuddy	Goldman
Whirlpool Corp.	I	McGillicuddy	
Wilson & Co., INc.	I	McGillicuddy	Becker
Wisconsin Electric Power Co.	I	McGillicuddy	
Wisconsin Power & Light Co.	I	McGillicuddy	Becker
F.W. Woolworth	I	C.S. Bishop	Goldman
Zale Corp.	I	G.B. Moran	Goldman

Ex. PQ: Goldman, Sachs' "sales bill" for sale of $500,000 face amount Penn Central Transportation Company commercial paper on March 16, 1970.

PLEASE DO NOT MARK ON STAMP OR WRITE ON OR MUTILATE THESE NOTES IN ANY WAY UNTIL ENTERED FOR COLLECTION AT MATURITY.

10912

13-570

FILE COPY

85/87

ENTERED FEDERAL RESERVE BANK OF ST. LOUIS

MAR 16 1970

NEW YORK 6, N. Y. 10045

DATE	SOLD TO	AMOUNT	MAKER	MATURITY	DAYS	RATE	DISCOUNT	NET PROCEEDS	INSTRUCTIONS
3/16/70	[illegible]	500,000.00	[illegible]	6/25/70	101	8 1/2	12,041.67	487,958.33	[illegible]

789 1X590

WE ACTED AS PRINCIPAL IN THIS TRANSACTION

43

REMITTANCES SHOULD ALWAYS BE MADE IN FEDERAL FUNDS

DRAFT FURNISHED

CHECKED

1435a

Ex. PW: Goldman, Sachs & Co. gross commissions from Penn Central and affiliated companies during 1969-1970, on a quarterly basis.

GOLDMAN, SACHS & CO.

Gross Commissions from Penn Central and Affiliated Companies
During 1968-1970; on a Quarterly Basis

Dates	Penn Central Company [Penn Central Transportation Company after October 1, 1969	Penn R.R. Plan for Supplemental Pensions	Buckeye Pipe Line Co.	Trustees of Penn Central Thrift Plan	Total
1968					
1st Qtr.	-				-
2nd Qtr.	-	700			700
3rd Qtr.	-	-			-
4th Qtr.	16,756	-			16,756
1968 Total					17,456
1969					
1st Qtr.		298	-		298
2nd Qtr.		-	-		-
3rd Qtr.		12,116	-		12,116
4th Qtr.		13,181	500		13,681
1969 Total					26,095
1970					
1st Qtr.	-	7,130		2,111	9,241
2nd Qtr.	35	3,528		8,441	12,004
3rd Qtr.	-	5,514		-	5,514
4th Qtr.	-	1,050		-	1,050
1970 Total					27,809

1436a

Ex. PX: Gross revenue from Penn Central and affiliated companies received by the Syndicate Department during 1969-1970.

Gross Revenue From Penn Central and
Affiliated Companies Received by
Syndicate Department during 1968-1970

1. February 15, 1970 - $45,000,000 - Wabash Railroad Co. - 7 3/4% '77 Loss - $15,183.95

2. June 26, 1969 - $30,000,000 - Canadian Pacific Railway - 8 1/4% '84 Profit - $2,594.44

3. December 16, 1969 - $50,000,000 - Pennsylvania Company - 9% - '94 Profit - $9,690.85

4. February 20, 1968 - $20,025,000 - Canadian Pacific Railway - 6.90% '83 Profit - $2,207.66

TOTAL: Loss of $691

C. EXTRACTS FROM THE DEPOSITION OF DAVID C. BEVAN

Pages 51-52
Pages 56-59
Pages 116-21

Extract From Deposition
of David C. Bevan

Pages 51-52

Q. You have indicated Mr. Bevan, that you have spent a considerable amount of time in the commercial banking field. Did you --

A. Not too long, no. I was only in the commercial banking field per se, as such, ten months, a little less than ten months. From the time I went back to Provident until I left The Provident, I was in the commercial banking end.

I dealt with commercial bankers all the time, but I was not one myself but ten months.

Q. Are you familiar with the expressions "back-up lines" and "demand lines"?

A. No. I think these terms are misnomers. The intention is all right, but you have -- you can have a line of credit which says everything else being equal, when you come in, we will lend you up to so much, but if you have a confirmed line -- I think we paid a quarter of one per cent for it -- this means when we want the money, there is a contract to give it to us.

We had the same type of situation in the revolving credit, and that was a contract to give us up to three hundred million anytime we asked for it.

I say "anytime". In one case I think we could have it in twenty-four hours or forty-eight hours. I think the longest was some hours to exercise that privilege.

There is a distinct difference between a revolving credit, such as we had, and a confirmed line of credit and just a line of credit.

And I never have heard the term "demand line of credit". I think technically it's a misnomer. I think they mean a confirmed line, but I can't tell.

Extract From Deposition
of David C. Bevan

Pages 56-59

Q. Now, Mr. Bevan, do you recall when for the first time in the period January, February, March, or April you became aware of the results of operations for the first quarter of 1970 for the railroad?

A. I can't tell you the exact day. I can tell you approximately. That would be -- I think it was about April 20th.

I think the statement was issued around the 22nd. I think it was about April 20th.

I know that I was completely stunned, and I remember Mr. Saunders looking at my face and saying, "Is this going to affect The Pennsylvania Company offering?"

And I said, "I'm so stunned and shocked, I am not in a position to evaluate anything until I get over the shock."

That was the preliminary statement, which I think was on the 20th, which was firmed up and immediately issued to the public.

Q. Do you recall whether, prior to that date, you had any indication of the quarter's results?

A. Well, let me say this: We probably had the worst weather -- at least, the operating people say it, and I have no statistics from which to speak -- in February and January in the history of the railroad, and the yards were tied up for days at a time. Our expenses went up, and our revenue went down.

But we -- so we -- we knew we had a tough time there, but the operating people said we were going to show a lot of increased efficiency in March, and the sales people were very optimistic.

They said, "There is an awful lot of business backed up that didn't move in January and February because of the weather."

Both the operating and the sales people indicated that we were going to have a very good March, a very good March.

And I, my own guess was, mentally and I think I -- I think I indicated it to all of the commercial bankers, the investment bankers, and Goldman, Sachs -- that I thought our loss was going to be a little larger than the first quarter than we had budgeted. I was thinking in terms of -- I didn't tell them this -- in terms of maybe five -- to seven million, but I didn't think it was catastrophic. But this was based upon information

I got from our people as to the kind of March we would have, which didn't materialize.

Q. You mentioned the investment bankers. Could you explain of whom you spoke?

A. The investment bankers were the managers of the proposed Pennsylvania Company issue, which were First Boston, Salomon Brothers, and Glore Forgan.

MR. POLLACK: How much of a loss did you say you anticipated?

THE WITNESS: Five to seven over the budgeted loss is what I thought we would probably end up with.

MR. POLLACK: In other words, not just a loss of five- to seven million dollars?

THE WITNESS: No. We had a budgeted loss of forty-nine million, and I figured it would come out fifty-four to fifty-six. It was just a guess, based upon the optimistic thoughts of our operating and sales people.

MR. POLLACK: Thank you.

Extract From Deposition
of David C. Bevan

Pages 116-21

Q. You testified this morning on direct examination regarding a discussion of certain possible cash sources at a meeting on April 14th.

The first of those possible cash sources that you mentioned, I believe, was property at Thirtieth Street.

Did you ever sell the property at Thirtieth Street?

A. No. It is still at the railroad.

At the time I left, I had asked some interested parties to look at it, and whether the railroad failed to follow up on it after that I don't know.

Q. Did you ever have a contract to sell the property at Thirtieth Street?

A. That was the first time we ever tried to sell it because we had developed plans to -- we had plans made by Kling and Dowling, and our intention was to develop it ourselves as being a more profitable way to handle it.

Q. The second possible source of cash you mentioned, I believe, was the flat land in Pittsburgh.

Did you ever sell that property?

A. This piece of property was being looked at by the same people when I left, and that is the only time -- here, again, we had developed plans that we intended to develop it ourselves.

Q. So, to the best of your recollection, that specific property was not sold. Is that correct?

MR. MANEY: Objection to form.

A. To the best of my knowledge, it was not sold. Again, I assume I would have seen it in the newspapers.

BY MR. POLLACK:

Q. Did you ever have any contract to sell the property?

A. I said the first time we attempted to sell it, I was in the process of it when the management of the railroad --

Q. The third property you mentioned as a possible source of cash was the land in Cleveland.

Did you ever sell that property?

A. I didn't sell it. It has been looked at by the same people -- was being looked at by them when I left the railroad. It very well could have been sold later. I don't

know. Something as important as the Pittsburgh or Philadelphia land I would have seen in the newspaper. Cleveland could have been done and I might have missed it. I just don't know.

Q. In any event, you know of no sale?

A. No. But this was the first time I tried to sell it, when these people were looking at it, when I left the railroad.

Q. Can you identify the people with whom you say you were discussing the possible sale when you left?

A. The Kaiser interests.

Q. Who in the Kaiser interests?

A. I think it was Edgar Kaiser and Gene Trefethen[*] -- I can't think of his last name now -- I will think of it -- he is practically Edgar Kaiser's alter ego.

Q. Did they make an offer to any of these properties?

A. They were in the process of inspecting them when I left, so we had not gotten that far.

[* handwritten in original]

Q. The fourth property you mentioned as a potential source of cash was the Great Southwest stock of approximately one billion dollars or somewhat less.

Did you ever sell the Great Southwest stock?

A. No. We didn't have time to turn around.

Q. The fifth property that you mentioned as a possible source of cash was the disposition of Arvida. Did you ever sell Arvida?

A. Never tried to.

Q. Another possible source of cash was a divestation of Buckeye. Did you ever sell Buckeye?

A. Never tried to.

Q. The seventh and the last of the properties you mentioned as a possible source of cash was Madison Square Garden. Did you ever sell Madison Square Garden?

MR. MANEY: I object to the form of the question.

A. I never tried to. The trustees had a sale -- after my leaving, the trustees sold it, and for some reason unknown to me the Judge turned it down. I don't know if he wasn't satisfied with the price or what.

MR. GERMAN: Objection. You neglected the Columbus yards and possibly others.

A. Columbus was later sold, at least some of our real estate in Columbus was sold, by the trustees.

MR. POLLACK: To the best of my recollection, the witness mentioned only seven.

MR. GERMAN: No. He mentioned Columbus, and there may have been others.

A. I also mentioned Detroit, too, and I mentioned Columbus.

BY MR. POLLACK:

Q. Tell us about Detroit. What was the property in Detroit?

A. I can't recall now. I can't tell you at this point.

Q. Has the property been sold?

A. I don't -- I don't know. It could have been sold. I just don't know.

D. STIPULATED FACTS

XII

Stipulated Facts

The parties agree, for purposes of this action only and without conceding any objection as to relevancy, that the following facts may be accepted as true for the period encompassed by the complaint:

1. The plaintiff, Franklin Savings Bank of New York, is a mutual savings bank organized and existing under the Banking Law of the State of New York, with its principal place of business at Eighth Avenue and 42nd Street, New York, New York.

2. The defendant Goldman, Sachs & Co. is a partnership organized and existing under the laws of the State of New York with a principal place of business at 55 Broad Street, New York, New York. The individual defendants [Gustave L. Levy, Fowler, Hemphill, Schrader, Miller, Weinberg, Whitehead, Saltzman, Young, Altschul, Grannon, Robertson, Tenenbaum, Danforth, Fay, Krimendahl, Doty, Gant, Gorter, Hager, Kaufman, Marcus, Stein, Weintz, Robert M. Menschel, Mnuchin, Weinberg, Weston, Wilson, Peter A. Levy, Melly, Walker, Boyer, Coles, Jamison, Richard L. Menschel and Traphagen] are general partners of Goldman, Sachs & Co.

3. Goldman, Sachs & Co. is engaged in the business of investment banking, underwriting and dealing in securities. Goldman, Sachs & Co. is registered with the Securities and Exchange Commission as a broker-dealer and is a member of the New York Stock Exchange, other national securities exchanges and the National Association of Securities Dealers, Inc.

4. Penn Central Transportation Company ("Penn Central") is a Pennsylvania corporation which owns and operates the Penn Central railroad system. The principal office of Penn Central is in Philadelphia, and the corporation also maintains an office in New York City.

5. Penn Central began issuing unsecured promissory notes ("commercial paper") in the summer of 1968 and continued to issue commercial paper until some time in 1970.

6. Goldman, Sachs & Co. was the exclusive dealer of Penn Central commercial paper.

7. In most instances, Goldman, Sachs & Co. bought and sold Penn Central commercial paper as principal.

8. On March 16, 1970, Goldman, Sachs sold Franklin, for a net price of $487,958.33, Penn Central commercial paper with a face value of $500,000 and a maturity date of June 26, 1970.

9. On June 21, 1970 Penn Central filed a petition under § 77 of the Bankruptcy Act (11 U.S.C. § 205) in the United States District Court for the Eastern District of Pennsylvania. Penn Central is still in reorganization.

10. The aforementioned Penn Central commercial paper sold by Goldman, Sachs & Co. to the plaintiff was not paid by Penn Central at maturity and has not been redeemed in whole or in part.

11. On June 21, 1970, the date of the filing of the petition for reorganization, Goldman, Sachs & Co. did not own any Penn Central commercial paper and had no Penn Central commercial paper in its inventory.

12. During the period 1968-1970, Gustave L. Levy was the senior partner of Goldman, Sachs & Co. and the principal contact for Goldman, Sachs & Co. with David C. Bevan of Penn Central.

13. During the period of 1968-1970, John L. Weinberg was a partner of Goldman, Sachs & Co., and the member of the Management Committee responsible for overseeing the activities of the Commercial Paper Department.

14. During the period 1968-1970, Robert G. Wilson was a partner of Goldman, Sachs & Co. and was head of the Commercial Paper Department.

15. During the period 1968-1970, Jack A. Vogel was a vice president of Goldman, Sachs & Co. and was head of the Credit Department of the Commercial Paper Department.

16. During the period 1968-1970, the Credit Department consisted of four credit analysts and various backup personnel; the credit analyst assigned to the Penn Central account in 1968-1969 was Michael L. Evans, and the credit analyst assigned to the Penn Central account in 1970 was Robert L. Hoffman.

17. During the period 1968-1970, Stuart T. Saunders was Chairman of the Board and chief executive officer of Penn Central.

18. During the period 1968-1970, David C. Bevan was Chairman of the Finance Committee of the Board of Directors and the chief financial officer of Penn Central.

19. Commencing in September 1969, and through 1970, Jonathan O'Herron was Vice President-Finance of Penn Central.

20. During the period 1968-1970, Robert Loder was Assistant Vice President-Corporate of Penn Central and during 1968 and 1969 was in charge of the commercial paper program under Bevan and Gerstnecker, another Penn Central financial officer.

21. Raymond C. Lepley was Assistant Treasurer of Penn Central and, commencing in November, 1969 succeeded to

the responsibilities of Loder in regard to the commercial paper program.

22. The results of operation of Penn Central for the first nine months of 1969 were announced on October 20, 1969, and reported in the press on October 21, 1969.

23. The results of operation of Penn Central for the year 1969 were announced on February 4, 1970 and reported in the press on February 5, 1970.

24. Penn Central did not have more than 50% bank line coverage for its commercial paper at any time after November, 1969.

25. In March 1969, Penn Central filed an application with the ICC to increase its commercial paper outstanding from $100 to $150 million.

26. In September 1969, Penn Central filed an application with the ICC to increase its commercial paper outstanding from $150 to $200 million.

27. Goldman, Sachs & Co. gave Penn Central an opinion for use before the ICC in connection with the March 1969 application to the ICC.

OPINION OF THE COURT AND POST-OPINION DEVELOPMENTS

A. Opinion of Honorable Charles M. Metzner,
406 F. Supp. 40 (S.D.N.Y. 1975)

The FRANKLIN SAVINGS BANK IN the CITY OF NEW YORK, Plaintiff,

v.

Gustave L. LEVY et al., Defendants.

No. 71 Civ. 882 (CMM).

United States District Court, S. D. New York.

Dec. 24, 1975.

Action was brought by purchaser of promissory note against dealer in commercial paper for alleged violations of federal securities laws. The District Court, Metzner, J., held that commercial paper dealer, which purchased notes of issuer for resale as principal, had duty to inform purchaser of note of certain unreported facts pertaining to deteriorating credit position of issues including dealer's lightening of load and reduction of exposure, and, for selling note without disclosure and for statement of material fact arising out of understanding as to basis of sale, dealer was liable to purchaser under antifraud provision of Securities Exchange Act of 1934 and under provision of Securities Act of 1933 imposing liability upon a seller.

Judgment for plaintiff.

1. Courts ⇐289(6)

Intrastate telephone calls by commercial paper dealer which directly involved the sale of note were insufficient for jurisdiction under Securities Act of 1933, but were sufficient under the Securities Exchange Act of 1934. Securities Act of 1933, §§ 12(2), 17(a), 15 U.S.C.A. §§ 77*l*(2), 77q(a); Securities Exchange Act of 1934, § 10(b), 15 U.S.C.A. § 78j(b).

2. Courts ⇐289(6)

Either the mailing by commercial paper dealer of confirmation slip to purchaser of note or the mailing by purchaser's agent of advice concerning transaction provided jurisdictional basis for remedy provided by section of Securities Act of 1933 pertaining to liability of seller of a security under certain conditions. Securities Act of 1933, § 12(2), 15 U.S.C.A. § 77*l*(2).

3. Securities Regulation ⇐42

Under circumstances, including, inter alia, the deteriorating credit position of issuer, promissory note purchased from commercial paper dealer was not prime commercial paper at time of purchase and thus was not exempt from antifraud provisions of Securities Exchange Act of 1934. Securities Exchange Act of 1934, §§ 3(a)(10), 10(b), 15 U.S.C.A. §§ 78c(a)(10), 78j(b).

4. Securities Regulation ⇐61, 104, 118

Commercial paper dealer, which purchased notes of issuer for resale as principal, had duty to inform purchaser of note of certain unreported facts pertaining to deteriorating credit position of issuer including dealer's lightening of load and reduction of exposure, and, for selling note without disclosure and for statement of material fact arising out of understanding as to basis of sale, dealer was liable to purchaser under antifraud provision of Securities Exchange Act of 1934 and under provision of Securities Act of 1933 imposing liability upon a seller. Securities Act of 1933, §§ 12(2), 17(a), 15 U.S.C.A. §§ 77*l*(2), 77q(a); Securities Exchange Act of 1934, § 10(b), 15 U.S.C.A. § 78j(b).

5. Securities Regulation ⇐61

Under circumstances of deteriorating credit position of issuer and reduction of risk by commercial paper dealer, dealer was required either to disclose information to investing public or, if it was disabled from disclosing in order to protect a corporate confidence, or if it chose not to do so, it was required to abstain from trading in or recommending the securities concerned.

6. Securities Regulation ⇐119

There need be no reliance by plaintiff in order to sustain recovery for nondisclosure under antifraud provision of Securities Exchange Act of 1934. Securities Exchange Act of 1934, § 10(b), 15 U.S.C.A. § 78j(b).

Thacher, Proffitt & Wood, New York City, for plaintiff; Robert S. Stitt, George W. Taliaferro, Jr., New York City, of counsel.

Sullivan & Cromwell, New York City, for defendants; William Piel, Jr., Michael M. Maney, Philip L. Graham, Jr., Charles E. Dorkey III, New York City, of counsel.

METZNER, District Judge:

Franklin Savings Bank (Franklin) filed this action against the general partners of Goldman, Sachs & Company (Goldman, Sachs), alleging violations of Sections 12(2) and 17(a) of the Securities Act of 1933, 15 U.S.C. §§ 77*l*(2), 77q(a), Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b), the New York Martin Act, N.Y. General Business Law § 352–c, and the common law.

Goldman, Sachs is engaged in the business of investment banking, underwriting and dealing in securities. It has achieved a reputation as one of the leaders in this field. One of the areas of its activity is as a dealer in commercial paper. As used here, commercial paper is the unsecured promissory notes of well-known large financial or industrial corporations, with a maturity of less than 270 days. Goldman, Sachs held itself out as the oldest and leading commercial paper dealer in the country. It was the exclusive dealer for the sale of Penn Central Transportation Company (PCTC) commercial paper, as well as for 225 other corporations. As a dealer, it purchased the notes of an issuer for resale as principal, and held the notes in inventory just as a retailer holds stock-in-trade in inventory.

In 1968, the State of New York enacted a statute (N.Y. Banking Law § 235(12–a) (McKinney 1971)), which allowed savings banks to invest in commercial paper. The purpose of the statute was to widen the investment opportunities available to these banks to include low risk and higher interest-paying securities. In order to qualify for purchase by the bank, the paper first had to receive a prime ("the highest") rating from an independent rating service designated by the state banking board. The National Credit Office, a subsidiary of Dun & Bradstreet, Inc., was so designated.

Immediately after the adoption of this law, Goldman, Sachs wrote to the plaintiff requesting the opportunity to make a presentation of the services it could render in the purchase of commercial paper. Subsequently, purchases of such paper, issued by various companies, were made by Franklin from Goldman, Sachs.

On March 16, 1970, Harry H. Bock, plaintiff's president, called Goldman, Sachs and said that he was interested in buying 90-day commercial paper totalling $1,500,000. Goldman, Sachs offered a $1,000,000 note of the Thomas J. Lipton Company, and a $500,000 note of PCTC. Plaintiff bought both notes.

I should point out here that the Penn Central Company is a holding company whose stock was publicly owned. Penn Central owned all the stock of PCTC.

The PCTC note matured on June 26, 1970, but unfortunately, on June 21, 1970, the Penn Central System of companies, which included PCTC, filed for reorganization under the Bankruptcy Act. The note was duly tendered but payment was never received. Hence this lawsuit for damages and rescission of the sale.

The issues were developed during a nine-day trial to the court without a jury. Defendants challenge both the jurisdiction of the court and the merits of plaintiff's claim.

1. *Jurisdictional Basis under Section 12(2) of the 1933 Act*

Section 12(2) provides for the liability of the seller of a security under certain conditions provided that the security was offered or sold "by the use of any means or instruments of transportation or communication in interstate commerce or of the mails . . . ."

Goldman, Sachs contends that there was no use of an interstate instrumentality or the mails sufficient to give jurisdiction under the 1933 Act.

The interstate telephone calls proved by plaintiff relate solely to the purchase of the note by Goldman, Sachs, as a principal, from PCTC, or to setting general sales policy. They do not involve a use of interstate facilities in connection with the sale by defendants, as principal, to this plaintiff. III L. Loss, Securities Regulation, ch. 11C at 1708 (2d ed. 1961).

[1] The only telephone calls directly involved with the sale of this note were intrastate calls. These are insufficient for jurisdiction under the 1933 Act although sufficient under the Securities Exchange Act of 1934. *United States v. De Sapio,* 299 F.Supp. 436 (S.D.N.Y. 1969). *See Myzel v. Fields,* 386 F.2d 718 (8th Cir. 1967), *cert. denied,* 390 U.S. 951, 88 S.Ct. 1043, 19 L.Ed.2d 1143 (1968).

The sale in this case consisted primarily of delivery of the note and receipt of payment. Admittedly, neither of these acts was accomplished by the use of the mails. Plaintiff, after placing the purchase order, directed its agent bank, Savings Bank Trust Company, to furnish funds to Chemical Bank to pay for the purchase. The note was to be held by Chemical solely as a depository. Defendants hand-delivered the note with a confirmation slip attached to Chemical against payment in federal funds. The use of federal funds is in effect payment in cash. However, this does not end the inquiry since use of the mails after the time of the primary acts may still affect the transaction in order to bring Section 12(2) into operation.

Plaintiff relies mainly on the mailing of a confirmation slip by defendants to plaintiff after completion of the transaction. *United States v. Cashin,* 281 F.2d 669 (2d Cir. 1968). Defendants seek to distinguish *Cashin* by relying on the fact that the usual form of confirmation slip or "sales bill" was attached to the note when it was delivered to Chemical Bank, and thus the mailing was superfluous. That slip contained the discount date, the name of the purchaser, the face amount of the note, the discount rate and amount, the maturity date of the note, the net discounted price, and delivery instructions. All of this is important information since the note only revealed its face value and maturity date. The slip was a necessary document not only for the internal records of Franklin, but for the auditors of the New York State Banking Department.

[2] Assuming that the sales slip was a confirmation slip, it is effective for its intended purpose only if it reaches the purchaser. Delivery to Chemical Bank as custodian of the note did not achieve this goal. The information still had to reach plaintiff, and that occurred here when Savings Bank Trust Company mailed the advice to Franklin. Such use of the mails was reasonably foreseeable by defendants. *United States v. Wolfson,* 405 F.2d 779 (2d Cir. 1968), *cert. denied,* 394 U.S. 946, 89 S.Ct. 1275, 22 L.Ed.2d 479 (1969); III Loss, *supra,* ch. 9F at 1521–28, and VI Loss, *supra,* ch. 9F at 3744–51. Thus, either the mailing by Savings Bank Trust Company or the mailing by Goldman, Sachs provides the jurisdictional base for the remedy provided by Section 12(2).

2. *Jurisdictional Basis under Section 10(b) of the 1934 Act*

The applicability of the anti-fraud provisions of Section 10(b) of the 1934 Act depends on whether this note is a security. Section 3(a)(10) of that Act states in pertinent part:

> "(10) The term 'security' means any note . . . *but shall not include* . . . any note . . . which

has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited." (Emphasis added.)

The note in question matured in less than nine months, but that does not end the matter. There is still the question of whether the note is of a certain type of commercial paper. *Zeller v. Bogue Electric Manufacturing Corporation*, 476 F.2d 795 (2d Cir.), *cert. denied*, 414 U.S. 908, 94 S.Ct. 217, 38 L.Ed.2d 146 (1973); *Sanders v. John Nuveen & Company*, 463 F.2d 1075 (7th Cir.), *cert. denied*, 409 U.S. 1009, 93 S.Ct. 443, 34 L.Ed.2d 302 (1972). In *Zeller* the court agreed with the decision in *Sanders* that despite the wording of the exemption, a promissory note with a maturity of less than nine months may still be a security under the 1934 Act "unless the note fits the general notion of 'commercial paper' reflected in the SEC Release." *Zeller*, 476 F.2d at 800.

The Release referred to in *Zeller* is 33–4412, 17 C.F.R. § 231.4412. That Release, which dealt with the exemption of a security from the registration requirements of the 1933 Act, stated:

> "The legislative history of the Act makes clear that section 3(a)(3) [of the 1933 Act] applies only to prime quality negotiable commercial paper of a type not ordinarily purchased by the general public, that is, paper issued to facilitate well recognized types of current operational business requirements and of a type eligible for discounting by Federal Reserve banks." 26 Fed.Reg. 9159 (Sept. 29, 1961).

Zeller holds that there is no doubt that the SEC would take the same view with respect to the exclusion provided in Section 3(a)(10) of the 1934 Act.

The record shows that these notes were issued usually in amounts of at least $500,000, with many over the million dollar mark. The record further shows that the purchasers, except in one or two instances, appear to be banks or large corporations seeking short-term investment for excess cash. Neither type of purchaser fits the definition of "general public" as used in the SEC Release, [illegible]n the legislative history referred to in that Release. For example, the Senate Report states:

> "It is not intended under the bill to require the registration of short-term commercial paper which, as is the usual practice, is made to mature in a few months and ordinarily is not advertised for sale to the general public." S.Rep.No.47 on S. 875, 73d Cong. 1st Sess. (1933) at 4.

Franklin urges that since PCTC notes were admittedly being "rolled over," that is, sold to cover maturities coming due, they were not being issued to facilitate current operational business requirements. However, in Release 33–4412, the SEC's position is clear that such "roll over" notes are exempt if the original indebtedness is exempt under Section 3(a)(3). Accordingly, the mere fact of roll over, where there is no provision in the note that it be automatic, does not remove the exemption.

As to the requirement that the note be of a type eligible for discount by the Federal Reserve banks, 12 C.F.R. § 201.-4(a) adopts the current transactions standard. That standard is met so long as the initial use of the proceeds was for proper purposes. Plaintiff has failed to show that the original use of the PCTC commercial paper was not for the current operating purposes required by the SEC test.

However, the fact that the notes, when originally issued, were prime quality and thus initially exempt, does not mean that the "roll overs" were prime at the time of issuance. Intervening events may change the picture.

When evaluating the quality of this commercial paper, it must be borne in mind that we are looking at the transaction as of March 16, 1970, and not the date of reorganization 3½ months later. The court is not justified in making the assumption that simply because reorganization occurred in the middle of June, this commercial paper was not properly

sold as prime by Goldman, Sachs in March.

Goldman, Sachs relies on the prime rating given this paper by the National Credit Office in the exercise of its statutory function. The only trouble with Goldman, Sachs' position is that the rating organization appears to have continued the prime rating on February 5 in reliance on defendants' decision to continue to sell this paper despite adverse news as to the financial condition of Penn Central. Franklin could only buy notes rated high by NCO, but such rating does not absolve Goldman, Sachs of its duty of disclosure. The question is whether Goldman, Sachs' decision under all the circumstances was proper in view of the protections afforded investors by the securities laws.

Defendants also rely on the Interstate Commerce Commission's report, after a full investigation, approving the increase from $150 million to $200 million in the amount of commercial paper that the Penn Central could have at any one time. It noted that the issuer was in a strong financial condition. However, this approval was issued in October 1969, too remote in time to be relied on in this case. We are talking about six months later in what appears to have been fast-moving events in Penn Central's financial picture. Furthermore, the permission was predicated on Penn Central's representation that it would obtain long-term financing as soon as the tight money market eased.

[3] I find, for the reasons fully explained below in discussing the merits of the litigation, that this note bought by Franklin on March 16, 1970, was not prime commercial paper at the time of purchase, and was not exempt from the provisions of Section 10(b).

3. *Plaintiff's Standing under Section 17(a) of the 1933 Act*

This section provides remedies for fraud even though the securities are exempt from registration under the 1933 Act.

Since the plaintiff has a right of action under Section 10(b), it is unnecessary to join the battle as to whether a private right of action for damages is one of the remedies afforded by Section 17(a). The basis for relief is the same under both sections. *E. g., Globus v. Law Research Service, Inc.*, 418 F.2d 1276 (2d Cir. 1969). For those interested, Judge Gignoux has fully discussed the respective contentions in *Dyer v. Eastern Trust and Banking Company*, 336 F.Supp. 890 (D.Me.1971).

4. *The Merits of this Litigation*

There is no doubt that everyone expected Penn Central initially to be in a tight financial situation following the merger of the two major railroad systems in February 1968. Time was necessary to achieve the economies envisioned by the plan. It would even be necessary to make extraordinary expenditures in the beginning to achieve long-term savings. However, the merged company enjoyed a high credit rating and was able to issue and sell commercial paper because of the usual indicia of good management, past earnings, cash flow, and being a large enterprise exhibiting leadership in the industry.

Problems arose, however, which created cash requirements beyond those expected by the knowledgeable people. The report of the ICC in October 1969 approving the raising of the limit to $200 million of commercial paper that Penn Central could issue was out of date with the picture as it existed in the early part of 1970.

Penn Central's financial statement for the year 1969 and the fourth quarter of that year was announced on the broad tape of the New York Stock Exchange on Wednesday, February 4, 1970, and was carried in the press the next day. The loss for the year was $56.3 million or ten times greater than the 1968 loss. The loss for the fourth quarter was $13.2 million. The fourth quarter was supposed to show a profit and the loss shocked the people at Goldman, Sachs into immediate action. They conferred among

themselves the night of February 4 and on February 5. They arranged a luncheon conference with the Penn Central people for Friday, February 6.

In addition, on February 5, defendant Wilson talked to O'Herron, financial vice president of Penn Central, about the bad news. Wilson said that "it was unfortunate that we did not have some indication of the magnitude of the total losses for 1969, as we are going to need a story to tell existing holders of Penn Central's paper and new purchasers of paper." While Wilson indicated that Goldman, Sachs would continue to offer this paper, including the $15-odd million that Goldman, Sachs had in its inventory, he did explore the possibility of Penn Central's buying back this inventory out of bank credit lines then available to it. O'Herron agreed to buy back $10 million worth on the following Monday, February 9.

The luncheon on February 6 was attended by defendants Levy and Wilson representing Goldman, Sachs, Bevan, executive vice president of Penn Central, Loder, its treasurer, and O'Herron. The Penn Central people said there would be a budgeted loss for PCTC of $56 million for the year 1970, which, when added to $170 million of additional necessary financing, resulted in a requirement of $226 million in cash for that year. $70 million already had been arranged for. They would attempt a $100 million bond sale later on, but in the meantime, would seek a $50 million "bridge" loan to tide them over. In fact, this loan was obtained well before the purchase of the note by plaintiff.

For some time Goldman, Sachs had been urging Penn Central to obtain additional bank lines of credit to cover its outstanding commercial paper of $200 million. Penn Central had only $100 million of back up credit. The Penn Central people again were told that they had to obtain $100 million more in bank lines of credit so as to have 100 per cent line coverage. This was necessary to keep its $200 million of paper outstanding. Otherwise it was perfectly possible that roll overs would not be successful and the total outstanding commercial paper could run down to $100 to $150 million.

Finally, Levy and Wilson told the Penn Central people at the luncheon that Goldman, Sachs would place a limit of $5 million on the paper of Penn Central which it would carry in inventory. The inventory had been running up to $20 million. On February 9, Penn Central bought back $10 million of its paper, reducing the inventory to just below the $5 million level.

Some explanations have been offered by Goldman, Sachs for the decision to reduce inventory. The first is that there would be a drop in demand for the commercial paper with the publication of the 1969 audited financial statements and consequently, there would be no need for carrying such a large inventory. February 6 was a Friday and the $10 million in inventory was bought back by Penn Central on the following Monday, without any experience as to whether the paper could be sold or not. It turns out that the sales stood up extremely well for some time thereafter and reducing inventory through a buy-back did not seem to have been necessary.

The second reason given for the reduction in inventory is the so-called "negative inventory carry." Goldman, Sachs is not a bank and has to finance its purchases of commercial paper by borrowings. It is claimed that the interest charges at this time of tight money ran higher than the return on commercial paper. Consequently, the business was unprofitable. However, it appears that only the inventory of Penn Central paper was reduced by asking the issuer to buy back. No other inventories were reduced by Goldman, Sachs in this manner.

Finally, it should be pointed out that while Goldman, Sachs was of the opinion that there were insufficient bank lines of credit for the outstanding commercial paper, it knew that the $10 million buy-back was being financed by Penn Central out of its existing insufficient lines of credit.

It is the surrounding circumstances involved in the buy-back, and the removal of Penn Central commercial paper from Brown Brothers Harriman's approved list on February 5, which creates the problem in this case. Brown Brothers Harriman had held as much as 15 per cent of the total outstanding paper of Penn Central through purchases from Goldman, Sachs. The action by Brown Brothers Harriman was a subject of discussion at the February 6 luncheon.

It is an inescapable conclusion that starting with February 4, Goldman, Sachs just did not have faith in this paper any more and was lightening its load and reducing its exposure. At this point I find that the paper could no longer be considered prime paper and qualify for exemption from the provisions of Section 10(b).

If investors knew that Goldman, Sachs had arranged for buy-backs by Penn Central of $10 million of its inventory, and that Brown Brothers Harriman had stopped buying at all, there is no doubt in my mind that there would be no chance of ever selling this paper as roll overs for maturing paper. The "run down" of outstanding paper would have been dramatic, and Penn Central would have been beating a trail to the courthouse steps three months sooner than it did.

Goldman, Sachs furnished its customers with three types of information contained in "white," "green," and "yellow" sheets as part of its recognized duty to disclose material information to its customers. Such sheets were mailed to Franklin. The "white" sheets contained audited financial statements of the issuer, the "yellow" sheets described the business of the issuer, and high-lighted some of the pertinent figures found in the "white" sheets. The "green" sheets contained credit information and other matters which may be of importance to the purchaser of the commercial paper. None of the "green" sheets issued after February 6 up to March 16 gave any inkling of the course of conduct pursued by Goldman, Sachs in relation to Penn Central's commercial paper.

Mr. Bock, president of Franklin, purchased this note without question immediately upon its being offered. He purchased a similar note several days before in the same fashion. He was possessed of extensive financial background and experience, including having been a security analyst for a leading stock exchange firm here in New York. He was aware of and used all available financial information in evaluating investments. He knew of the Penn Central's poor financial report for the year 1969, yet he never asked Goldman, Sachs why he should buy Penn Central paper in view of what that report showed. He was not interested in bank lines of credit to back up the outstanding commercial paper. He knew or should have known that a footnote to the 1969 financial statement pointed out that substantially all assets had been pledged as security for loans.

[4] Despite this lack of ordinary prudence, which would be expected of a person with his background, he testified that if he had known the unreported facts outlined above, he would not have bought the paper. The issue then is whether Goldman, Sachs was under a duty to divulge the information, and I hold it was.

I understand the reluctance of Goldman, Sachs possibly to be the cause of such calamity to our economic structure. In addition, it had close business, if not personal ties, to the Penn Central management which would be jeopardized in the event of collapse. However, it is disclosure of just such information in the circumstances, such standard of fair dealing, such requirement of truth to which the anti-fraud sections of the securities laws are directed. This is the perfect example of an omission "to state a material fact necessary to make the statement made, in light of the circumstances under which they were made, not misleading."

[5] When Goldman, Sachs sold this paper, it was understood that it was

holding out the paper as credit-worthy and high quality. The information which it failed to disclose was clearly material since "a reasonable man would attach importance [to it] in determining his choice of action in the transaction . . . ." *List v. Fashion Park, Inc.*, 340 F.2d 457, 462 (2d Cir.), *cert. denied*, 382 U.S. 811, 86 S.Ct. 23, 15 L.Ed.2d 60 (1965). Under the circumstances, Goldman, Sachs "must either disclose it to the investing public, or, if [it] is disabled from disclosing it in order to protect a corporate confidence, or [it] chooses not to do so, must abstain from trading in or recommending the securities concerned . . . ." *Securities and Exchange Commission v. Texas Gulf Sulphur Co.*, 401 F.2d 833, 848 (2d Cir.), *cert. denied sub nom., Coates v. Securities and Exchange Commission*, 394 U.S. 976, 89 S.Ct. 1454, 22 L.Ed.2d 756 (1968).

[6] The Court held in *Affiliated Ute Citizens v. United States*, 406 U.S. 128, 154, 92 S.Ct. 1456, 1472, 31 L.Ed.2d 741 (1972), that: "This obligation to disclose and this withholding of a material fact establish the requisite element of causation in fact." There need be no reliance by plaintiff to sustain recovery for nondisclosure under Section 10(b). *Competitive Associates, Inc. v. Laventhol, Krekstein, Horwath & Horwath*, 516 F.2d 811 (2d Cir. 1975); *Chasins v. Smith, Barney & Co.*, 438 F.2d 1167 (2d Cir. 1970).

Having decided to sell the notes without disclosing these material facts, Goldman, Sachs is liable to the plaintiff for violation of Section 10(b).

In view of the understanding between the parties as to the basis upon which the notes were being sold, which amounts to a statement of a material fact, Goldman, Sachs is also liable under Section 12(2).

Plaintiff has failed in its extensive post-trial briefs to treat either the common law action for fraud or the claim for relief under the Martin Act. I can only assume that they are not being pressed and therefore they are dismissed.

It is unnecessary for the court to rule on the huge number of objections to deposition testimony that was offered in evidence. None of the proffered evidence to which objection was made has been relied upon by the court.

Judgment in the sum of $500,000, with interest and costs, shall be entered in favor of the plaintiff.

So ordered.

B. Judgment of Honorable Charles M. Metzner, entered January 13, 1976

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

U.S.D.C.
FILED
JAN. 13, 1976
S.D. of N.Y.

THE FRANKLIN SAVINGS BANK OF NEW YORK,

Plaintiff,

-against-

GUSTAVE L. LEVY, HENRY H. FOWLER, JAMES C. HEMPHILL, EDWARD A. SCHRADER, STANLEY R. MILLER, JOHN L. WEINBERG, JOHN C. WHITEHEAD, CHARLES E. SALTZMAN, HOWARD R. YOUNG, ARTHUR G. ALTSCHUL, CHARLES L. GRANNON, JAMES D. ROBERTSON, L. JAY TENENBAUM, ROBERT S. DANFORTH, RICHARD J. FAY, H. FREDERICK KRIMENDAHL, II, GEORGE E. DOTY, DONALD R. GANT, JAMES P. GORTER, PETER A. HAGER, LEWIS J. KAUFMAN, JAMES S. MARCUS, ALAN L. STEIN, J. FRED WEINTZ, JR., ROBERT B. MENSCHEL, ROBERT E. MNUCHIN, SIDNEY J. WEINBERG, JR., LEWIS M. WESTON, ROBERT G. WILSON, PETER A. LEVY, L. THOMAS MELLY, THOMAS B. WALKER, JR., GEORGE T. BOYER, MICHAEL H. COLES, JOHN C. JAMTSON, RICHARD L. MENSCHEL and ROSS E. TRAPHAGEN, JR., individually and doing business under the firm name and style of GOLDMAN, SACHS & CO.,

Defendants.

JUDGMENT

71 ~~Gov.~~ C,V 882 (CMM)

76,040

This action having come on for trial before the Honorable Charles M. Metzner on June 2, 3, 4, 5, 6. 9, 10, 11 and 12, 1975, Thacher, Proffitt & Wood having appeared for the plaintiff and Sullivan & Cromwell having appeared for the defendants and the Court, having heard the evidence and having been duly advised in the premises and having rendered its decision in writing filed December 29, 1975, representing its findings of fact and conclusions of law, directing judgment for the plaintiff.

1-12-76

NOW, upon motion of Thacher, Proffitt & Wood, attorneys for the plaintiff, it is

ORDERED, ADJUDGED AND DECREED that the plaintiff Franklin Savings Bank of New York recover of and from the defendant Goldman, Sachs & Co., a partnership, and thereafter if this judgment is not paid or if execution against said Goldman, Sachs & Co. is returned unsatisfied, then from the above-captioned general partners of Goldman, Sachs & Co. named as individual defendants herein, jointly and severally, the principal sum of $487,958.33 with accumulated interest in the sum of $188,719.54 representing interest on the principal sum at the rates of (a) seven and one-half percent per annum from March 16, 1970 through August 31, 1972 and (b) six percent per annum from September 1, 1972 through January 12, 1976, together with costs ~~in the sum of $ _____ as~~ TO BE TAXED BY the Clerk ~~is hereby directed to tax and insert~~, plus interest on the total of principal, accumulated interest and costs at the rate of six percent per annum from January 12, 1976 until paid, which payment shall be made upon tender by plaintiff to Goldman, Sachs & Co. of one unsecured promissory note, in bearer form, issued by Penn Central Transportation Company, in the face amount of $500,000, dated March 16, 1970 and maturing June 26, 1970, together with an assignment of any proof of claim heretofore filed by plaintiff in connection with a petition for reorganization under Section 77 of the National Bankruptcy Act filed in the action entitled "In Re Penn Central Transportation Company, Debtor," and now pending in the United States District Court for the Eastern District of Pennsylvania, and that the plaintiff shall have execution therefor, except that such execution be and hereby is stayed through January 30, 1976.

Dated: New York, New York
January 12, 1976

s/ Charles M. Metzner
U. S. D. J.

Judgement Entered 1-13-76
Raymond F Burghardt
CLERK

C. Defendants' Memorandum in Support of Motion Pursuant to Rules 52(b) and 59(a), Federal Rules of Civil Procedure

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

- x

FRANKLIN SAVINGS BANK OF NEW YORK, :

Plaintiff, : 71 Civ. 882 (CMM)

-against- :

GUSTAVE L. LEVY, et al., :

Defendants. :

- x

DEFENDANTS' MEMORANDUM IN SUPPORT OF MOTION PURSUANT TO RULES 52(b) AND 59(a), FEDERAL RULES OF CIVIL PROCEDURE

SULLIVAN & CROMWELL
48 Wall Street
New York, New York 10005
(212) 952-8100

Attorneys for Defendants

WILLIAM PIEL, JR.,
MICHAEL M. MANEY,
PHILIP L. GRAHAM, JR.,
CHARLES E. DORKEY III,

Of Counsel.

January 23, 1976

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

FRANKLIN SAVINGS BANK OF NEW YORK,	:	
Plaintiff,	:	71 Civ. 882 (CMM)
-against-	:	
GUSTAVE L. LEVY, et al.,	:	
Defendants.	:	

MEMORANDUM IN SUPPORT OF MOTION PURSUANT TO RULES 52(b) and 59(a), FEDERAL RULES OF CIVIL PROCEDURE

Goldman, Sachs & Co.* submits this memorandum in support of its motion to amend the Judgment entered in this action on January 13, 1976 or, in the alternative, for a new trial as to the issues raised by this motion. This motion does not address issues of law which have been briefed and as to which the Court has ruled against Goldman, Sachs, but is limited to certain statements of fact in the Court's Opinion filed December 29, 1975 which, we submit, are not supported by the trial record.

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* As in previous papers, "Goldman, Sachs" and "defendant" will be used to embrace the partnership and the other defendants, partners of the firm.

INTRODUCTION

The Court's Opinion, in discussing the jurisdictional issues, apparently concluded that Penn Central's commercial paper could not have been of prime quality in March 1970 because, among other things, the "Prime" rating of that paper by the National Credit Office of Dun & Bradstreet ("NCO") "appears to have [been] continued . . . in reliance on defendants' decision to continue to sell this paper . . . ." (Opinion at 12) Defendant submits that the trial record does not support such an inference unless proffered conclusions, never received by the Court and not rebutted by defendant because of remarks by the Court, are now being accepted as established facts.

On the merits, the Court apparently found against Goldman, Sachs on the ground that there had been actual fraud in connection with the sale to plaintiff. The conclusion appears to be based upon an inference, drawn from a number of discrete factual findings, to the effect that Goldman, Sachs reduced its inventory in Penn Central commercial paper to limit its own exposure after it had lost "faith" in Penn Central. Goldman, Sachs contends that it never -- in the Court's language -- lost "faith" in Penn Central and never -- to use the term applied by the commercial

paper industry -- concluded that Penn Central was not "creditworthy". Although Goldman, Sachs offered extensive evidence, not discussed in the Court's Opinion, to demonstrate that at all times it had a reasonable belief that Penn Central was creditworthy, this motion is addressed only to the following findings of fact as to which Goldman, Sachs was denied a fair opportunity to present evidence or for which there is no support in the record.

-- Brown Brothers, Harriman removed Penn Central from its approved list, apparently for credit reasons; and

-- Penn Central's commercial paper had been returned to the issuer and no other issuer's paper had been so returned.

Finally, this memorandum will consider two offers of proof relating to the issue of motive that were summarily rejected by the Court during trial.

Goldman, Sachs contends that when the above facts are viewed in proper perspective, including if necessary permitting defendant to submit evidence in defense of assertions which were ruled irrelevant during trial, the Court will conclude that no basis exists for a conclusion that Goldman, Sachs reduced its inventory in Penn Central commercial paper because it no longer believed in the creditworthiness of that company. Accordingly, the judgment should be

vacated and a judgment entered in favor of defendants.

I. THERE IS NO EVIDENCE OF NCO's PURPORTED RELIANCE ON GOLDMAN, SACHS

In the portion of its Opinion regarding jurisdiction, the Court found that "the rating organization [NCO] appears to have continued the prime rating on February 5 in reliance on defendants' decision to continue to sell this paper despite adverse news as to the financial condition of Penn Central." (Opinion at 12)

The purpose for this reference to the possible reliance by NCO on Goldman, Sachs is unclear. At the point in the Opinion where the above quotation appears, the Court was addressing the issue whether the commercial paper of Penn Central was a security for purposes of the Securities Exchange Act of 1934. One requirement of the Court's jurisdictional test* was that the commercial paper of Penn Central be "prime quality". (See also Opinion at 9-10) Given comments made during trial and the limited record facts on this

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* Although Goldman, Sachs continues to assert that the four-pronged jurisdictional test followed by this Court on the basis of Sanders v. John Nuveen & Co., 463 F.2d 1075 (10th Cir.), cert. denied, 409 U.S. 1009 (1972), is unwarranted, as earlier explained, this memorandum is not addressed to points of law.

subject, the most reasonable interpretation of this sentence, we believe, is that the jurisdictional question of "prime quality" must be answered independently of whatever rating NCO assigned to a particular issue of commercial paper. If this be the correct interpretation, then Goldman, Sachs respectfully urges the Court to strike the reference in its Opinion to NCO's supposed reliance on Goldman, Sachs as unnecessary and irrelevant.

Unfortunately, the above quoted language is susceptible of another, more disturbing construction: that there was evidence in the record to suggest that Goldman, Sachs influenced NCO to continue to rate the paper and that, therefore, Penn Central's commercial paper could not be of prime quality.

This second interpretation necessarily suggests that conduct by NCO would decide the jurisdictionsl issue, and in general, would affect the determination of whether commercial paper is exempt from registration under Section 5 of the Securities Act of 1933 and might imply that commercial paper rated "desirable" by NCO is necessarily not of "prime quality." Unlike the first interpretation of the Court's holding, such conclusion could needlessly disrupt the conduct of the commercial paper market in general and in particular prejudice other cases presenting different issues.

For the reasons that follow, there is no factual support for any conclusion that NCO relied on Goldman, Sachs and, on this ground as well, Goldman, Sachs moves that this language be deleted from the Court's opinion. Such a result is particularly necessary where there is not only no evidence to support a finding of reliance by NCO, but Goldman, Sachs was practically precluded from offering evidence on this very point.

The only possible basis upon which the Court might have made the finding set forth above is found in Exhibit F-1, a Goldman, Sachs blue sheet memorandum regarding a telephone conversation between Jack Vogel of Goldman, Sachs and Allen Rogers of the National Credit Office. At the time that exhibit was offered in evidence, the Court admitted the document for the limited purpose of showing what was said by Rogers. The document was ruled inadmissible to show the truth of any statement purportedly made by Rogers and recorded in the memorandum:

> THE COURT: You don't want me to assume the truth of what this Mr. Vogel was told [in Ex. F-1], do you? You are not offering it for that, are you? If you are, I am sustaining Mr. Piel's objection.
>
> MR. STITT: I am offering it as a contemporaneous recollection of his conversation --

THE COURT: What was told to him, that doesn't prove the truth of the statement, and Mr. Piel objects to that. I sustain his objection. (Tr. 13)

Notwithstanding the fact that the only conceivable proof of NCO's "reliance" upon Goldman, Sachs had been rejected by the Court, counsel for plaintiff again raised the issue during the cross-examination of Mr. Bock of Franklin Savings Bank. When Bock attempted to claim that Rogers' quoted statement would have been significant to him, the Court stated: "I don't get the significance of it. . . . I don't see its relevance or impact to this." (Tr. 151)

Although the Court had thus given a strong preliminary indication that the matter of NCO's reliance on Goldman, Sachs was not an issue in the case, counsel for Goldman, Sachs attempted to protect the record by offering evidence that Rogers' reputation and ability were of the highest order and that it would therefore have been unreasonable for Goldman, Sachs to have concluded -- on the basis of a single cryptic conversation -- that this highly respected analyst was acting improperly. The testimony of Jack Vogel in this regard was uncontradicted and unchallenged on cross-examination. (See Vogel Tr. 684)

Because the Court still had not made a definitive statement that the Rogers conversation was irrelevant, counsel for Goldman, Sachs returned to the issue during the testimony of Robert Wilson. Although Wilson was prepared to testify from his personal knowledge regarding both Rogers' reputation and Rogers' methods of conducting credit investigations, he was cut short by the Court. (Wilson Tr. 1094-95) Then, when trial resumed on the morning of June 11, 1975, the Court stated unequivocally that NCO's supposed reliance upon Goldman, Sachs was not an issue in the case. The Court's remarks extend over several pages (Tr. 1096-98) and may be summarized by the extracts set forth below:

> THE COURT: . . . . I think it is immaterial. . . . If [NCO] is incompetent, or something, that's their business and it is not Goldman, Sachs business. All Goldman, Sachs has to tell a prospective purchaser is that it is prime rated. There is no charge of a conspiracy between Goldman, Sachs and NCO to prime rate this. As I say, I do not see any issue in this case on which this bears at all. I have said it three times. I don't know how many more times I

> can say it. . . . If NCO is less top drawer in making its rating, that is their problem. It is not my problem and it is not this case's problem. If NCO happens to say to Goldman, Sachs "If you are going to continue to sell it, we are going to prime rate it," that is NCO's problem and I can't make it any clearer than that." (Tr. 1096-98) (emphasis added)*

Had the Court not precluded all further evidence regarding NCO, Goldman, Sachs was considering the offer of additional proof of the independence and integrity of NCO and Allen Rogers, including the testimony of Rogers taken by the Securities and Exchange Commission in the course of its investigation of the Penn Central situation** and the continued oral testimony of Vogel and Wilson.

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* In addition to its clear instruction to counsel for Goldman, Sachs not to explore the matter further, the Court offered its own explanation of the blue sheet memorandum:

> THE COURT: . . . . I think Vogel . . . [v]ery frankly was puffing his own canoe, making himself a big shot, either for his own ego or to impress the client, Goldman, Sachs has tremendous influence. That's as far as I would go on that, period. (Tr. 1098)

** As had been indicated to the Court previously, Rogers died before he could be deposed in the commercial paper actions.

Rogers' testimony is pertinent because -- despite the unsympathetic questioning of the SEC staff and the lack of cross-examination by his own counsel -- Rogers did give a brief general description of the factors analyzed by NCO in reaching a conclusion regarding the proper rating of a commercial paper issuer, and established, inter alia, that he consulted a variety of people in the banking community in the course of his credit analysis and that he recalled no incident where Vogel or anyone else at Goldman, Sachs tried to influence NCO in rating Penn Central.

Even apart from Rogers' testimony, both Vogel and Wilson, had they been allowed to complete their testimony, would have stated (a) that Rogers' reputation made it extraordinarily unlikely, in their view at the time, that he would have relied exclusively on Goldman, Sachs and (b) that they knew at the time of cases where Rogers had telephoned a number of different sources and that in the case of Penn Central they had no reason to believe that he was not operating in the usual way. Furthermore, both witnesses would have testified that they understood Rogers' comments to mean only that based on his own independent investigation and analysis he had concluded not to change the prime rating to some other rating; and that therefore the prime rating would continue since Goldman, Sachs was continuing to sell

the paper. Vogel would have testified further that he understood at the time that NCO did not rate paper that was not being sold, and that it was solely with reference to the question of whether or not a rating would be necessary that Rogers made his remarks.

In order that the Court may consider the probative value of such testimony, we have appended hereto as Exhibit A a portion of the direct testimony of Jack Vogel given in another Penn Central commercial paper case, University Hill Foundation v. Goldman, Sachs & Co., 71 Civ. 1166 (MEL), testimony given prior to the decision in the instant case. (University Hill Tr. 540-42). We respectfully urge that that testimony rebuts any inference that the purely hearsay statement of Rogers reflected in Exhibit F-1 should have been treated any differently by Goldman, Sachs than it was.

Whatever may be the Court's conclusion with respect to the merits, moreover, the gratuitous language in the opinion, unsupported by evidence and refuted by the Court's own comments during the trial, is totally unnecessary to the holding in this action and can serve no other purpose than to affect other cases not before this Court.

II. THE COURT'S INFERENCE REGARDING GOLDMAN, SACHS' MOTIVE IN REDUCING INVENTORY IS BASED UPON FACTUAL DETERMINATIONS UNSUPPORTABLE ON THIS RECORD.

The central conclusion of the Court's Opinion is that "Goldman, Sachs just did not have faith in this paper any more and was lightening its load [of inventory] and reducing its exposure." (Opinion at 19) This inference drawn by the Court is based upon factual findings which either are demonstrably erroneous on this trial record or which relate to matters as to which Goldman, Sachs was not permitted by the Court to offer relevant evidence. It is respectfully submitted that when these factual errors are corrected, there will be no record support for the Court's conclusion as to Goldman, Sachs' motive.

a. Relevant evidence regarding the Court's conclusion with respect to Brown Brothers Harriman was excluded because the Court ruled it would give the matter "no weight."

The action of Brown Brothers Harriman & Company in removing Penn Central from its approved list of commercial paper issuers is treated by the Court as one of the two principal bases for the conclusion regarding motive.

A Goldman, Sachs' blue sheet memorandum (Ex. F-4) did record that Brown Brothers had temporarily removed

Penn Central from its approved list, but there is not a shred of evidence in the record indicating the basis for that removal or connecting it in any way to a determination by Brown Brothers that Penn Central was not creditworthy or was not a satisfactory commercial paper issuer for investment.

Early in the trial, the Court appeared to recognize the insignificance of the Brown Brothers point and clearly indicated that the issue should not be pursued:

> Q: Did Goldman, Sachs disclose that information [regarding the removal of Penn Central from Brown Brothers approved list] to prospective purchasers or existing holders of Penn Central paper?
>
> THE COURT: What difference does that make to this lawsuit?
>
> MR. STITT: Because, your Honor, we contend that that would have been material information --
>
> THE COURT: If some purchaser of this paper from Goldman, Sachs decided not to buy it any more? Supposing the plaintiff decided not to buy any more. Was Goldman, Sachs supposed to tell everybody in the world that Franklin

Savings Bank wouldn't buy Penn Central paper anymore?

MR. STITT: I think that the decision of Brown Brothers Harriman with its history and reputation, history in railroad financing --

THE COURT: I disagree. Next point.

Q: Do you know of any such disclosure, Mr. Van Cleave?

MR. PIEL: Objection.

THE COURT: I don't know what you are going through it for. I am not going to give it any weight.

(Tr. 541) (emphasis added)

Because the Court so clearly indicated its desire that further evidence on this point not be presented and because of its holding during the course of trial that the matter was irrelevant, Goldman, Sachs offered no defense on this issue.*

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* See Defendants' Post-Trial Memorandum at 41. Goldman, Sachs' understanding of the Court's ruling on the issue was further confirmed during summation when counsel for plaintiff again tried to raise the issue of Brown Brothers and the Court interrupted saying, "I told you that I would not consider that as a factor." The Court then added, "[w]hy didn't you bring Brown Brothers here to tell me why they did it?" When counsel for plaintiff continued to argue that the refusal of Brown Brothers to purchase more paper affected Penn Central's ability to sell the paper during the relevant period, the Court responded,"But there was no trouble in selling their paper during that period, was there? They didn't need it." Counsel for plaintiff agreed that there had been testimony to that effect, and the Court then concluded, "You haven't indicated anything to the contrary. There is nothing in the record that indicates anything to the contrary." (Tr. 1275-1276)

Had the issue of Brown Brothers' removal of Penn Central from its approved list not been eliminated by the Court early in the trial, Goldman, Sachs would have offered answering evidence on the point. First, we would have pressed the point that Brown Brothers itself had an unsecured line of credit which was available to Penn Central in February when the name was removed from its approved list and continued to be available in March and April of 1970. (See Ex. BY) Indeed, on April 30, 1970 -- long after the 1969 results had been announced and a little more than a week after the far more significant first quarter results for 1970 were publicly available -- Brown Brothers lent $2,000,000 of its own money to Penn Central on an unsecured basis not legally or practically different than a commercial paper note. (Lepley Tr. 949-950)

Because the undisputed evidence in this trial shows that bank lines are cancellable if the lender is dissatisfied with the financial condition of the borrower (Van Cleave Tr. 419; Vogel Tr. 680; Sullivan Tr. 876), Brown Brothers' willingness to lend money to Penn Central, in late April after far more adverse news had been distributed, demonstrates its view that Penn Central remained creditworthy even at that late date. Certainly in the absence of testimony from Brown Brothers -- a burden which

the Court properly assigned to plaintiff (Tr. 1275) -- the Court cannot conclude that the Brown Brothers action had credit significance. Moreover, with respect to plaintiff's argument that this action by Brown Brothers might have affected Penn Central's ability to sell commercial paper, the evidence demonstrates -- and this Court concluded in its Opinion -- that there was no difficulty in selling Penn Central commercial paper in the period after the 1969 year-end results were announced. (Opinion at 18)*

Because the issue was eliminated early in this trial, Goldman, Sachs also did not offer substantial evidence on the significance of approved lists generally or on the manner in which they are compiled and used. If such evidence had been permitted, the testimony would have shown that companies such as Brown Brothers add and remove names from their approved lists for reasons unrelated to creditworthiness and that such events are by no means unusual.

In sum, defendants' omissions of proof -- done in reliance upon the Court's ruling -- combined with plain-

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* The Court prevented Goldman, Sachs from inquiring of Mr. Bock what effect it would have had on his judgment regarding the significance of Brown Brothers' approved list if he had known that Brown Brothers had an unsecured line of credit which it made available to Penn Central. (Tr. 298-99)

tiff's utter failure to explain the removal of Penn Central from Brown Brothers' approved list and its failure, despite the Court's suggestion, to produce a witness to explain this matter, make it inappropriate, we submit, for the Court to have based its decision upon an inference drawn from a fact to which it said it would give "no weight".*

b. The Court's conclusion that no inventory other than that of Penn Central had been reduced by a buy-back is demonstrably erroneous on this record.

The Court's conclusion that the reduction of inventory was in essence a sign of bad faith was also predicated on its finding that "only the inventory of Penn Central was reduced by asking the issuer to buy back. No other inventories were reduced by Goldman, Sachs in this manner." (Opinion at 18)

The uncontradicted evidence in this record, however, proves precisely the opposite conclusion.

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* It might be argued that the removal of Penn Central from Brown Brothers' approved list was significant because it affected Goldman, Sachs' decision to reduce inventory. It should be noted, however, that there is absolutely no evidence in the record that the information regarding Brown Brothers was received before the initial request to Penn Central to reduce the size of Goldman, Sachs' inventory. Accordingly, no cause and effect relationship between the two events should be inferred.

This issue was raised by counsel for plaintiff during cross-examination of George Van Cleave:

> Q. Did you ever return commercial paper to any other issuers because you wished to reduce your inventory of that particular issuer?
>
> A. Yes.
>
> (Van Cleave Tr. 512)

Mr. Van Cleave was then confronted with prior deposition testimony in which he had answered a nearly identical question by saying, "Not that I can recall." (Van Cleave Tr. 513) Van Cleave then explained why he recalled at trial something that he had not recalled during his deposition:

> "That was my recollection at the time of the deposition, but after reviewing our files, I found that we had returned other issuers."
>
> (Id.) (emphasis added)

Upon receiving this response, counsel for plaintiff abandoned the line of questioning without asking what files were meant or what other companies were involved. On the basis of this cross-examination testimony, however, the matter was briefly pursued on re-direct examination:

> Q. I show you Defendants Exhibits EV and EW marked for identification and ask you if those two memoranda were among documents

that you came upon in the course of that review [of files for the purposes of determining whether other buy-backs from inventory had occurred]?

A: Yes.

MR. PIEL: Your Honor has previously excluded these based on Mr. Stitt's challenge to Mr. Van Cleave's testimony. I respectfully re-offer them.

MR. STITT: Your Honor, I [will] not press any objection.

(Tr. 550-51)

Like Van Cleave's testimony, these blue sheets are uncontradicted and unchallenged evidence that there were indeed other instances in which inventory was returned to an issuer.

Because Van Cleave's statement was apparently taken at its face value by counsel for plaintiff and by the Court and because the testimony that there were other instances of returns to the company for purposes of reducing inventory was uncontradicted, no further evidence was offered on this point. But other evidence is available. We have appended to this memorandum as Exhibit B, by way of offer of proof, testimony taken in the trial of University Hill Foundation v. Goldman, Sachs & Co., 71 Civ. 1166 (MEL), in which the matter of

returns to other issuers was discussed at some length. (University Hill Tr. 915-24) We have also included as Exhibits C to F the trial exhibits, admitted in evidence in the University Hill trial, which were used in conjunction with the testimony there set forth.*

The conclusion that Goldman, Sachs had never reduced the inventory of any other issuer by means of a return of paper to the company appears to be the linchpin of the Court's rejection of Goldman, Sachs' substantial evidence that the size of Penn Central's inventory was part of a more general problem recognized by Goldman, Sachs and which during the relevant period it was attempting to cure across the board. With this linchpin removed it is respectfully submitted that the Court should reexamine the testimony and documentary evidence summarized in Defendants' Post-Trial Memorandum at pages 108 to 124 explaining the growing realization of the general difficulties with inventory, the imposition of a $250 million ceiling on inventory, the Blue Book study of the cost of inventory, the limitations placed upon inventory of various issuers other than Penn Central and all the other factors showing that

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* It should be noted that in reaching its conclusion that the February inventory reduction in Penn Central commercial paper was unprecedented and therefore must have reflected doubts about the railroad in light of the announced 1969 results, the Court also ignored the fact that there had been an earlier and larger return of Penn Central inventory (Lepley Tr. 930; Van Cleave Tr. 456).

the reduction in Penn Central inventory was made as part of a broad program to reduce inventory and was in response to a series of factors bearing no relationship to the creditworthiness of the Railroad.

c. The Court's conclusion regarding Goldman, Sachs' good faith was reached without a full and fair hearing with respect to proffered evidence.

The ultimate -- and in our view least supportable -- conclusion reached by the Court is that stated in its Opinion at page 19:

> "It is an inescapable conclusion that starting with February 4, Goldman, Sachs just did not have faith in this paper any more and was lightening its load and reducing its exposure."

Although this determination turned ultimately upon the issue of motive, the Court rejected significant evidence bearing upon motive which should be received and considered by the Court on this issue.

1. "A Badge of Innocent Good Faith." At trial Goldman, Sachs sought to introduce evidence that Gustave L. Levy was trustee with sole discretion to buy and sell common stock held in a "blind trust" for a close personal friend. This trust consisted in part of approximately 180,000 shares of Penn Central common stock worth approximately $10 million. The rejected evidence would have shown that notwithstanding Levy's personal knowledge of and parti-

cipation in various conversations with Penn Central officials, he sold all the stock in the blind trust except Penn Central because he believed that Penn Central's stock was priced too low and would rise with the market as the economy improved. The stock was held in the trust until after the reorganization petition was filed and was then sold at a loss of millions of dollars.

As we argued to the Court during trial, Levy's decision to hold the Penn Central common stock not only in February, but in April, May and June was, especially in view of the close personal relationship between himself and the beneficiary, "a badge of innocent good faith." (Tr. 809) When that argument was made, however, the Court responded, "I don't need it for this trial. Objection sustained." (Id.)

The Court's statement that evidence of innocent good faith was not necessary appeared at the time to have been based upon its conclusion that good faith, as opposed to a technical violation of the securities laws, was not an issue in the case. Certainly, if good faith were an issue, the willingness of Levy to hold common stock for his friend to whom he owed a fiduciary duty was an indication of a belief in the viability of Penn Central that directly contravenes the conclusion of the Court that Goldman, Sachs "just did not have faith in this paper any more . . . ."

(Opinion at 19)

2. Goldman, Sachs' Block Trading Position in Penn Central. Goldman, Sachs' offer of proof regarding another "badge of innocent good faith" met a similar fate during the course of Levy's direct examination. Goldman, Sachs offered to prove that as late as May 27, 1970 -- only one day before the Pennsylvania Company's $100 million bond offering was withdrawn -- Goldman, Sachs took into its position as principal a block of Penn Central common stock worth $1-1/4 million. Goldman, Sachs bought that stock as principal and kept much of it in its inventory overnight, thus putting at risk its own money months after the announcement which had allegedly caused the reduction in inventory of commercial paper. Although the Court intimated that this evidence was being rejected on the grounds that it was post-purchase, the evidence certainly showed Goldman, Sachs' continued belief in Penn Central on May 27, and a fortiori showed its belief at an earlier date when far less adverse news was either public or known to Goldman, Sachs. The rejection of this evidence further truncated Goldman, Sachs' efforts to present fully and fairly its side of the "good faith" issue in this case.

Defendants respectfully submit that the conclusions of the Court discussed in points a. through c. above

constitute the essential basis upon which the Court concluded that Goldman, Sachs did not "have faith in this paper any more." As shown above, these supposed underpinnings for the Court's conclusion are not supportable and it is accordingly submitted that the Court should reconsider its judgment, reopening the record to take such additional evidence as is necessary.

CONCLUSION

The judgment herein should be vacated and a judgment entered for defendants. In the alternative, a new trial should be granted as to the issues raised by this motion.

January 23, 1976

Respectfully submitted,

SULLIVAN & CROMWELL
48 Wall Street,
New York, New York 10005
(212) 952-8100

Attorneys for Defendants.

WILLIAM PIEL, JR.,
MICHAEL M. MANEY,
PHILIP L. GRAHAM, JR.,
CHARLES E. DORKEY III,

Of Counsel.

Exhibit A to Defendants' Memorandum in Support of Motion Pursuant to Rules 52(b) and 59(a), Federal Rules of Civil Procedure:

Testimony of Jack A. Vogel in University Hill Foundation v. Goldman, Sachs & Co., (S.D.N.Y. 71 Civ. 1166 (MEL)).

seemed to be so decisive in saying it didn't affect your attitude towards credit worthiness that I thought you almost thought it was not even eligible for consideration.

THE WITNESS: Oh, no, you always look at earnings, your Honor.

THE COURT: I would think so.

Q What was your understanding of Mr. Rogers' comment that he would continue to carry Penn Central as a prime name?

MR. ATLAS: Objection, your Honor.

THE COURT: Overruled.

MR. ATLAS: Your Honor, the understanding is in the memo. The memo, as he said, is the sum and substance of everything he recalls about that conversation.

THE COURT: Is the memo the sum and substance of everything you recall about the conversation?

THE WITNESS: Yes.

THE COURT: Well, then you can ask him, if you want, what his statement on the subject means.

Q Mr. Vogel, would you look at the last sentence of your memorandum, PX 10, the sentence beginning "Alan said." Do you have that?

A Yes.

Q What does that mean?

MR. ATLAS: Objection, your Honor. The document speaks for itself.

THE COURT: What did you mean -- please don't hobble me by these objections. I'm trying to get a rounded view of the facts that occurred here. I'm the tryer of fact and I have to make a very important decision. I don't mean to suggest that I want to go beyond what the rules of evidence permit or to alter them differently in any way as to one side to the other, but I think that the point of view is narrow since the question certainly can be asked: When you wrote that, what did you intend to convey? He's stuck with what he said, but I want to hear if there is an amplification of it.

THE WITNESS: Did you want me to answer that question?

THE COURT: Yes, please.

THE WITNESS: I intended to convey the fact that as a result of Goldman, Sachs' continuing to market commercial paper of the Penn Central that Alan Rogers, or NCO would have to, have to continue to either rate it or pull its rather, whatever their choice may be at the time. That's what I intended to convey.

Ordinarily speaking, your Honor, if a dealer, not only Goldman, Sachs, but any dealer, would tell -- if

it's Alan Rogers, "Are you going to handle paper of this company," and we'd say, "No, we're not going to handle it," for whatever reason, "the company doesn't want it" or whatever, they would just close the files and they wouldn't have to do any more analysis and whatever work that involves.

So that was the meaning I was trying to put across. The fact that we were handling the paper made it imperative that they continue their own investigation.

THE COURT: Well, that isn't what you said here, though. You said -- if you read the last sentence, you say, "that as a result, you are continuing to carry Penn Central as a prime name."

THE WITNESS: Until they decided otherwise, it was prime that day, and as far as I know it was going to continue to be prime.

Q Do I understand, was there anything in that conversation that led you to conclude that Mr. Rogers, or that the decision to rate Penn Central prime was anything other than an independent decision by NCO?

A Absolutely not.

Q Would you look in that page of blue sheets at a memorandum dated February 5, 1970, marked PX 11.

MR. ATLAS: Your Honor, I would just object. If Mr. Maney would ask if that blue sheet is an accurate

Exhibit B to Defendants' Memorandum in Support of Motion Pursuant to Rules 52(b) and 59(a), Federal Rules of Civil Procedure:

Testimony of Robert G. Wilson in University Hill Foundation v. Goldman, Sachs & Co., (S.D.N.Y. 71 Civ. 1166 (MEL)).

UNIVERSITY HILL FOUNDATION

vs.

GOLDMAN, SACHS & CO.

New York, New York
November 4, 1975 - 10 a.m.

(Trial resumed.)

THE COURT: I am mindful Mr. Breindel thought we possibly could conclude this morning. I regret I have to leave here at 12:30. If we haven't concluded, I have the whole afternoon.

When we do conclude I would like to discuss questions of summations and questions of a description of the contents of the depositions to be submitted and the contentions of the parties as to the depositions.

MR. MANEY: Your Honor, on that point, I would like to argue promissory estoppel, but relying on Mr. Breindel's estimate, Mr. Wilson who had planned a business trip to California, he has a plane reservation.

THE COURT: All right.

ROBERT G. WILSON, resumed.

DIRECT EXAMINATION CONT'D

BY MR. MANEY:

Q Mr. Wilson, let me show you Exhibits FK, FL, FM and FN, and Plaintiff's Request, to round it out, Exhibit

PX-72 for identification.

Mr. Wilson, your testimony yesterday was as I recall, there were other instances beside the Penn Central when the paper of an issuer was returned from inventory to the issuer to reduce inventory; is that correct?

A That is correct.

Q You said you determined that by examination of certain documents.

A Correct.

Q Are the documents which you examined to ascertain that information those documents that are before you, Exhibits FK, FL, FM and FN?

A Yes, they are.

Q Could you explain how you were able to determine that information from those documents?

A Well, Avco Corporation, which is Exhibit FK, the center set of columns entitled "Return to Company" and knowing that the corporate tax date is one normally where our inventory is under a great deal of pressure, I spotted the fact on December 15, 1969, we returned six blocks of paper, totaling $10 million with various maturities as short as January 28th, and as long as March 4th.

Q That January 28th, isn't that the 19th?

A Excuse me, you are correct. As short as

February 9th.

THE COURT: There is one on February 3rd, isn't there? Let's see if we are looking at the same thing. I have a photocopy. Is this the same material here?

THE WITNESS: Yes. Those add up to $10 million and there are six blocks of them, with fixed maturity dates.

A (Continuing) I then looked at --

THE COURT: What I don't understand is -- I understand what you told me -- but, why do you disregard the other items in that column?

THE WITNESS: Well, they're in size, a block of $10 million is a reasonably good return on one date.

THE COURT: The ones up above look pretty big too. On July 25th, for example --

THE WITNESS: I have no clear view in my mind of July 25th. I have a very clear view of corporate tax date December 1969.

THE COURT: I understand you might want to distinguish about your independent recollection from other items entered here which you do not personally recall, but I want to understand the figures in this column --

MR. MANEY: I think Mr. Wilson is using an example.

THE COURT: Examples aside, and it is helpful to have an example, I want to know if all those figures in this

column do represent returns as indicated.

THE WITNESS: Absolutely.

A (Continuing) Then I went over to Exhibit EN, and I had reconfirmed what I knew was going on in December of '69, and it is the first column now for the dates December 12, 1969, and December 15, 1969.

THE COURT: First column on what page?

THE WITNESS: It starts in '68. You should go to the page, the far left column the date is December 12 and December 15, 1969.

The second column from the left is the total inventory that Goldman, Sachs had, at the end of that day.

THE COURT: For example, the end of December 12th is 16,050.

THE WITNESS: No, 243 million.

THE COURT: And December 15, 304, and of course that's in thousands.

THE WITNESS: Correct.

A (Continuing) So, why this example is so clear to me, the December tax period of 1969 was the tightest portion of the money market crunch that we had in 1969.

Tax date is a day when the corporations pay their taxes and they don't turn around with excess cash to buy papers, so we know from experience on those tax dates that

we will not usually be able to cover the maturities we have coming due on that date, and our inventory historically has been used to pick up the unsold portion.

THE COURT: Somewhat similar I suppose as banks --

THE WITNESS: Their loans go up on tax date, that's correct.

THE COURT: What figure, if any, on these lines of December 12th and 15th, indicate returns?

THE WITNESS: If we can go over to, I believe Avco is the fourth column over, the column, the number on December 12th, 1969, that reads 21 million 250. That's the amount of Avco we had in inventory at the end of Friday, the 12th, and you can see from the previous three or four days, 23 million, 22 million, 21 million, 21 million, and so Van Cleave evidently said to Avco, we got a tax date coming up, will you help us out, we want to return 10 million of paper that's in inventory because we know we'll get hit on the 15th with a lot of unsold material which we'll try to accommodate.

So, he returned the $10 million.

THE COURT: As you can see by the next entry.

THE WITNESS: Correct, and even doing this specifically, we couldn't stay within our ceiling, and it went up to 403 million. If I hadn't returned it to Avco,

it would have read $314 million.

This is an illustration of returning paper in inventory to the issuer.

MR. ATLAS: Your Honor, I would object to this explanation by Mr. Wilson. It is speculation as to what Mr. Van Cleave may or may not have been doing.

THE COURT: It seems to me that plaintiff alleges, and perfectly naturally, that the Penn Central return, if you want to call it that, was a special situation. I think the defendant is entitled to show it is not a special or unique situation and to have that before me to judge what it means.

MR. ATLAS: The figures are there to be read. The point is I object to Mr. Wilson advising the Court as to what Mr. Van Cleave's motives or --

THE COURT: I don't need to worry about that. I don't care what the reason is. I won't say I don't care, but I think Mr. Wilson is competent to testify as to why in the ordinary course of the business of Goldman, Sachs there are returns, and I believe his testimony is probative, and if you don't believe in it, you can call another witness to establish it. I am not taking his testimony as to what Mr. Van Cleave intended, but as to his understanding of the business of Goldman, Sachs.

Q Mr. Wilson, his Honor inquired about July 25, 1969.

THE COURT: On FK?

MR. MANEY: On FK, for Avco.

A Yes, I see that. It looks like there are four blocks of inventory paper, totaling seven million five.

THE COURT: I think it's eight million.

A Yes, eight million five.

Q By reference to FN, can you determine whether those returns were to substitute for other names or whether they produced inventory?

A By looking at FN, for July 24th, 1969, and then July 25th, 1969, I see an Avco --

THE COURT: That is still the fourth column?

THE WITNESS: Correct.

A (Continuing) That the days previous we had been running 15 million, 16, 16, 17, 14, eight million, and eight million being on July 24th.

THE COURT: Is that '69 or '68?

THE WITNESS: '69.

THE COURT: I'm confused. I don't see those figures here.

THE WITNESS: July 24th, the fourth column, and here is Avco.

Here are my numbers (indicating).

THE COURT: Thank you.

You started with the 17th?

THE WITNESS: Correct. Just to give some background, that this was one of the larger inventory names we were carrying.

On July 24th, we had eight million five at the end of the day on the 24th, and this EK shows we returned eight million five on July 25th, and the inventory was zero as of the end of the day on July 25th.

Q Do you recall the circumstances of that return?

A No, sir, I don't.

Q I show you Exhibit EV for identification, and ask you if that refreshes your recollection.

THE COURT: Is this in evidence?

MR. MANEY: No, your Honor.

A I have read the Exhibit EV.

Q Does that refresh your recollection as to the circumstances of the $8,500,000 return?

A Yes, it does.

Q Without reference to the exhibit, what were the circumstances of that return?

A That we were experiencing a tough money market in July, that the Avco notes were not selling as freely in the market as we would like, and therefore inventory was

high in Avco notes, and we were exploring with Frank Suozzi, who was the man we dealt with, and we were exploring with him if he could take back some of our inventory.

On July 22nd he indicated he might draw down his compensating balances that he had at his bank to take back the paper, but then on the 24th he said he had received cash from the sale of some property, and he would be glad to use the proceeds from the sale of that property to take back the paper which he did, on the 25th.

Q Mr. Wilson, referring to Avco and Dow, do you know what their positions were in your inventory, say in the beginning of 1970?

A Yes.

Q What were those positions?

A We had what we call the top ten list of the top ten inventory positions that we had on any given day. Both Avco and Dow and Penn Central were in that group.

They all weren't number one each day. They would move around from one to ten and occasionally drop out of it, but by and large they were on the list consistently.

MR. MANEY: Your Honor, I offer FK, FL, FM, FN, and by Plaintiff's Request, I suppose to round out the data, PX-72.

MR. ATLAS: Your Honor, once again we note our

objection that the Avco, Dow Chemical, Chrysler situation is not relevant to the issues involved.

THE COURT: Overruled. The exhibits are received.

xxx (Defendant's Exhibits FK, FL, FM, FN for identification and Plaintiff's Exhibit 72 for identification received in evidence.)

Q Mr. Wilson, did you at my request attempt to calculate the gross receipts received by Goldman, Sachs for handling Penn Central's commercial paper from 1968 through 1970?

A Yes.

Q Did you perform the calculation?

A Yes, I did.

Q Will you explain to the Court how you went about the calculation and what results you obtained?

A If I could have a pad and a pencil.

I am drawing an X axis, which is going to be years --

MR. ATLAS: As I understand the question and the answer, Mr. Wilson indicated he didn't make this computation until quite recently. It was not made during '69, 1969 and the first quarter of 1970. If that information wasn't obtained in that time period, I don't see the relevance.

THE COURT: I assume the relevance is to show the

Exhibit C to Defendants' Memorandum in Support of Motion Pursuant to Rules 52(b) and 59(a), Federal Rules of Civil Procedure:

Trial Exhibit FK in University Hill Foundation v. Goldman, Sachs & Co., (S.D.N.Y. 71 Civ. 1166 (MEL)):

Table showing prepayments, buybacks and returns to company for Avco Corporation.

AVCO CORPORATION

	PREPAYMENTS			RETURN TO COMPANY			BUY BACKS		
	DISCOUNT DATE	MATURITY DATE	AMOUNT	DISCOUNT DATE	MATURITY DATE	AMOUNT	DISCOUNT DATE	MATURITY DATE	AMOUNT
1968	-0-	-0-	-0-	12-18-68	2-24-69	3,000	1-30-68	4- 5-68	300
							3-20-68	5-15-68	600
							3-25-68	5-15-68	800
							3-29-68	4-22-68	600
							4- 8-68	5-20-68	500
							4-16-68	5-15-68	600
							4-29-68	5-15-68	600
							5-14-68	5-15-68	1,400
							5-17-68	6-20-68	50
							6- 5-68	6-20-68	3,000
							7- 2-68	7-22-68	50
							7-15-68	8-15-68	250
							7-18-68	7-22-68	700
1969	-0-	-0-	-0-	2-21-69	5- 6-69	2,000	1- 3-69	1- 7-69	500
				2-21-69	5-21-69	3,000	1-17-69	2-18-69	200
				6-23-69	9- 9-69	4,000	2- 4-69	3-20-69	2,700
				7-25-69	10- 7-69	1,000	2-17-69	3-20-69	100
				7-25-69	10- 9-69	2,000	2-20-69	3-20-69	2,700
				7-25-69	10- 6-69	4,500	3- 7-69	5-15-69	700
				7-25-69	9-24-69	1,000	3-13-68	3-20-69	3,000
				8-28-69	11-22-69	1,600	3-20-68	4-28-69	900
				9-18-69	12-30-69	300	3-25-69	3-27-69	4,000
				12-15-69	3- 4-70	2,000	4- 2-69	4-28-69	900
				12-15-69	2-25-70	2,000	4- 8-69	5-15-69	700
				12-15-69	2- 3-70	1,000	4-17-69	6-11-69	500
				12-15-69	3- 2-70	3,500	5-12-69	7-15-69	100
				12-15-69	2-27-70	1,500	5-21-69	7- 7-69	200
				12-19-69	1-28-70	3,000	5-26-69	8-15-69	600
							6- 3-69	6-19-69	500
							6- 3-69	8-15-69	600
							7- 3-69	8-15-69	600
							7-22-69	7-30-69	500
							7-25-69	8- 5-69	100
							7-31-69	10-10-69	3,000
							8- 5-69	8-26-69	500
							9- 3-69	9-25-69	2,000
							9- 3-69	12-19-69	600
							9-22-69	9-30-69	1,500
							9-22-69	12-11-69	500
							12-22-69	1- 5-70	1,000

AVCO CORPORATION (Cont.)

PREPAYMENTS

	DISCOUNT DATE	MATURITY DATE	AMOUNT
1970	1-23-70	1-29-70	4,000
	6-17-70	7-16-70	500
	6-26-70	11- 6-70	1,000
	6-26-70	12-15-70	1,000

RETURN TO COMPANY

DISCOUNT DATE	MATURITY DATE	AMOUNT
1-23-70	2-20-70	4,500
1-23-70	4- 9-70	1,500
2- 6-70	3-11-70	4,000
2-27-70	4-24-70	1,500
2-27-70	3-13-70	100
2-27-70	3-11-70	100
2-27-70	4- 7-70	100
2-27-70	5-22-70	2,500
2-27-70	5-27-70	2,000
2-27-70	5-18-70	3,250
2-27-70	6- 8-70	1,000
2-27-70	6-30-70	1,000
2-27-70	6-25-70	500
4- 3-70	5-14-70	2,500
4- 3-70	5- 4-70	1,500
4- 3-70	5- 1-70	2,000
4- 8-70	4-27-70	2,000
4- 8-70	4-24-70	500
4- 8-70	5-12-70	2,000
4- 8-70	5- 8-70	300
4- 8-70	5- 4-70	100
4- 8-70	5- 1-70	500
4-16-70	6-19-70	3,000
4-16-70	5-21-70	1,500
4-16-70	6-11-70	2,500
9-16-70	6- 2-70	4,000
4-23-70	6-17-70	1,000
4-23-70	6-11-70	4,000
5- 7-70	6-12-70	1,000
5- 7-70	6- 5-70	2,000
5- 7-70	6-26-70	250
5-19-70	6-17-70	4,000
5-19-70	6-16-70	4,000
5-27-70	7- 6-70	600
5-27-70	7-22-70	750
5-27-70	7- 8-70	2,100
6-15-70	8-11-70	825
6-19-70	7-22-70	1,000
6-19-70	8- 5-70	3,500
6-19-70	7-28-70	2,500
6-19-70	7-17-70	3,000
6-23-70	1-15-71	500

107,875

BUY BACKS

DISCOUNT DATE	MATURITY DATE	AMOUNT
1-15-70	3-16-70	300
1-23-70	2- 4-70	6,000
1-23-70	2-18-70	3,000
3-12-70	4- 3-70	1,000
4-14-70	5-11-70	5,000
5-11-70	10-27-70	5,000
6- 3-70	6-17-70	500
6- 3-70	6-22-70	800

Exhibit D to Defendants' Memorandum in Support of Motion Pursuant to Rules 52(b) and 59(a), Federal Rules of Civil Procedure:

Trial Exhibit FL in University Hill Foundation v. Goldman, Sachs & Co., (S.D.N.Y. 71 Civ. 1166 (MEL)):

Table showing prepayments, buybacks and returns to company for The Dow Chemical Company.

THE DOW CHEMICAL CO.

	PREPAYMENTS			RETURN TO COMPANY			BUY BACKS		
	DISCOUNT DATE	MATURITY DATE	AMOUNT	DISCOUNT DATE	MATURITY DATE	AMOUNT	DISCOUNT DATE	MATURITY DATE	AMOUNT
1968	-0-	-0-	-0-	-0-	-0-	-0-	1- 3-68	3-20-68	2,000
							1- 4-68	3-21-68	500
							1-25-68	6-10-68	2,000
							2- 5-68	3- 6-68	200
							2- 5-68	3-21-68	500
							2- 9-68	5-31-68	100
							2-13-68	3-26-68	200
							3-29-68	5- 1-68	4,000
							4- 5-68	4-18-68	900
							4-11-68	6-17-68	3,000
							4-25-68	7- 2-68	200
							5- 6-68	5-15-68	1,000
							5-20-68	7-19-68	1,000
							5-21-68	7- 2-68	200
							6- 5-68	6-20-68	2,000
							6- 6-68	6-25-68	1,150
							6-12-68	6-13-68	3,000
							6-20-68	7- 1-68	3,000
							6-20-68	7- 2-68	2,000
							6-26-68	8-28-68	1,000
							7-18-68	9- 6-68	1,000
							8-14-68	8-22-68	2,000
							8-23-68	9- 9-68	1,000
							9-19-68	10- 4-68	500
							9-27-68	11- 6-68	500
							10-14-68	11-12-68	1,800
							10-18-68	10-23-68	2,500
							10-18-68	10-30-68	1,000
							11-19-68	11-25-68	1,200
							11-19-68	11-25-68	2,300
							12-11-68	12-23-68	2,000
							12-16-68	12-27-68	100
							12-18-68	2- 6-69	100
							12-30-68	1-29-69	1,000

THE DOW CHEMICAL CO. (Cont.)

1969

PREPAYMENTS

DISCOUNT DATE	MATURITY DATE	AMOUNT

RETURN TO COMPANY

DISCOUNT DATE	MATURITY DATE	AMOUNT
7- 7-69	8-23-69	1,100
9-16-69	11-10-69	3,500
9-16-69	11- 7-69	6,500
10-17-69	1- 7-70	5,000
12-19-69	1-22-70	5,000

BUY BACKS

DISCOUNT DATE	MATURITY DATE	AMOUNT
6-18-69	8- 7-69	500
6-23-69	7- 3-69	1,000
6-30-69	7- 8-69	500
7- 1-69	7- 9-69	5,000
7- 2-69	7- 8-69	1,000
7-10-69	8-15-69	2,000
7-10-69	7-14-69	1,000
7-15-69	8-20-69	1,100
8- 5-69	9-19-69	2,000
8- 6-69	8-22-69	3,000
8-15-69	8-18-69	2,000
9-19-69	9-30-69	1,000
9-22-69	10- 3-69	5,000
9-22-69	11-24-69	1,000
9-22-69	10-29-69	600
9-22-69	10-29-69	400
10- 6-69	10-20-69	1,000
10- 8-69	11-14-69	700
10-14-69	10-21-69	100
10-20-69	1-12-70	600
10-27-69	11- 7-69	500
10-31-69	11- 7-69	300
11- 3-69	11-14-69	1,000
11-10-69	11-14-69	1,000
11-10-69	12-17-69	1,000
11-13-69	1- 7-70	5,000
11-17-69	1-19-70	1,150
11-26-69	12- 1-69	1,000
11-26-69	12- 4-69	1,500
11-26-69	12- 2-69	1,000
12- 2-69	2- 5-70	800
12-11-69	12-24-69	500
12-11-69	12-31-69	1,000
12-15-69	2-12-70	6,000
12-19-69	2-17-70	500
12-24-69	3- 2-70	700
12-29-69	1- 7-70	500
12-29-69	1- 6-70	500
12-31-69	1- 9-70	500
1-28-69	2-20-69	500
1-28-69	2-10-69	3,000
2- 3-69	3-20-69	2,200

THE DOW CHEMICAL CO. (Cont.)

	PREPAYMENTS			RETURN TO COMPANY			BUY BACKS		
	DISCOUNT DATE	MATURITY DATE	AMOUNT	DISCOUNT DATE	MATURITY DATE	AMOUNT	DISCOUNT DATE	MATURITY DATE	AMOUNT
1969									
							2-13-69	3- 6-69	1,000
							2-18-69	3-20-69	1,000
							2-18-69	3- 4-69	2,000
							3- 3-69	3- 7-69	300
							3- 5-69	3-20-69	1,000
							3- 5-69	3-20-69	2,200
							3-11-69	3-21-69	2,000
							4-25-69	5-23-69	2,[illegible]
							5- 9-69	6- 9-69	3,000
							5- 9-69	5-12-69	1,000
							5-12-69	8-25-69	1,000
							5-12-69	6- 3-69	250
							6- 3-69	7-30-69	4,000
							6- 6-69	9-19-69	1,000
							6-13-69	7-15-69	3,000
							6-18-69	8- 4-69	500
1970									
				2-18-70	3-24-70	3,000	1- 7-70	1-15-70	1,000
				2-18-70	4-24-70	1,000	1-15-70	2-10-70	500
				2-18-70	4- 8-70	2,000	1-16-70	2- 5-70	600
				2-18-70	4-21-70	3,000	1-19-70	2-16-70	1,000
				6- 8-70	7-23-70	4,500	1-20-70	2-16-70	1,600
							1-28-70	2-20-70	1,000
							4- 6-70	5-18-70	300
							4-10-70	5- 4-70	500
							4-17-70	4-30-70	1,000
							5-15-70	7-28-70	700
							5-15-70	7-28-70	400
							5-22-70	6-25-70	300
							5-27-70	8-17-70	600
							5-27-70	7-20-70	600
							6- 5-70	6- 9-70	750
							6-11-70	8- 3-70	2,000
							6-16-70	6-25-70	1,000
							6-22-70	6-26-70	3,000
							6-23-70	7-20-70	2,0[illegible]
						34,600			157,550

1509a

Exhibit E to Defendants' Memorandum in Support of Motion Pursuant to Rules 52(b) and 59(a), Federal Rules of Civil Procedure:

Ex. F-53 and Trial Exhibit FM in University Hill Foundation v. Goldman, Sachs & Co., (S.D.N.Y. 71 Civ. 1166 (MEL)):

Table showing prepayments, buybacks and returns to company for Penn Central.

PENN CENTRAL

	PREPAYMENTS			RETURN TO COMPANY			BUY BACKS		
	DISCOUNT DATE	MATURITY DATE	AMOUNT	DISCOUNT DATE	MATURITY DATE	AMOUNT	DISCOUNT DATE	MATURITY DATE	AMOUNT
1968				10-28-68	1-23-69	1,500	9- 4-68	12-30-68	5,000
							10-25-68	11-18-68	300
							11-19-68	11-25-68	2,100
							12- 9-68	2- 5-68	3,000
							12-11-68	1- 9-69	900
							12-12-68	12-26-68	100
							12-30-68	1- 6-69	1,000
							12-31-68	2-18-69	400
1969				4- 1-69	7-10-69	2,500	2-20-69	3-10-69	3,000
				5- 2-69	7-31-69	1,000	3-11-69	5-26-69	300
				6-23-69	8- 5-69	2,000	3-25-69	3-27-69	3,000
				12-24-69	2-20-70	2,000	4-28-69	5- 9-69	750
				12-24-69	2-18-70	2,000	5-27-69	7-14-69	1,000
				12-24-69	3- 3-70	3,600	6-20-69	7- 8-69	500
				12-24-69	2-19-70	1,000	6-20-69	6-26-69	1,000
				12-24-69	2-10-70	500	6-23-69	7-31-69	1,000
				12-24-69	3- 5-70	1,000	6-25-69	7- 2-69	500
				12-24-69	2-16-70	2,500	7-15-69	7-24-69	200
				12-24-69	2- 3-70	2,000	7-31-69	8-25-69	200
				12-24-69	3-12-70	600	8-14-69	8-18-69	500
				12-24-69	1-26-70	250	9- 8-69	9- 9-69	100
				12-24-69	3- 9-70	670	9-10-69	9-25-69	3,000
				12-24-69	9-11-70	50	9-22-69	12-11-69	500
							9-29-69	10-30-69	400
							9-30-69	11- 7-69	100
							10- 9-69	11- 6-69	500
							10-17-69	11- 6-69	500
							11-19-69	11-26-69	500
							12-12-69	1-26-70	250
							12-17-69	12-22-69	500
							12-17-69	12-22-69	1,000
							12-17-69	12-31-69	1,000

PENN CENTRAL (Cont.)

PREPAYMENTS

	DISCOUNT DATE	MATURITY DATE	AMOUNT
1970	5- 1-70	11-16-70	5,000
	5- 1-70	6-10-70	3,500
	5- 6-70	6- 1-70	500
			9,000

RETURN TO COMPANY

DISCOUNT DATE	MATURITY DATE	AMOUNT
1-20-70	6-23-70	3,000
1-20-70	6- 4-70	3,000
1-23-70	5- 4-70	3,000
1-28-70	5-29-70	3,000
2- 2-70	4- 7-70	1,000
2- 2-70	5- 4-70	4,000
2- 5-70	6-26-70	2,000
2- 6-70	6- 4-70	2,690
2- 9-70	6-24-70	2,000
2- 9-70	6-26-70	1,500
2- 9-70	7- 6-70	500
2- 9-70	6-29-70	500
2- 9-70	5-11-70	500
2- 9-70	5-26-70	3,000
2- 9-70	4-23-70	2,000
2-20-70	3-11-70	500
2-20-70	3-19-70	2,000
2-20-70	4-22-70	620
3- 3-70	4- 9-70	5,000
3- 3-70	4- 2-70	4,000
4- 8-70	5- 7-70	500
4- 8-70	5-25-70	3,000
4- 9-70	5-12-70	1,250
		71,730

BUY BACKS

DISCOUNT DATE	MATURITY DATE	AMOUNT
1- 7-70	2-10-70	500
1-13-70	2- 6-70	700
2-13-70	2-20-70	250
2-13-70	4-23-70	100
3-13-70	9-25-70	2,750
4- 9-70	5-12-70	1,250
4-30-70	5-21-70	2,500
		42,150

Exhibit F to Defendants' Memorandum in Support of Motion Pursuant to Rules 52(b) and 59(a), Federal Rules of Civil Procedure:

Ex. F-55 and Trial Exhibit FN in University Hill Foundation v. Goldman, Sachs & Co., (S.D.N.Y. 71 Civ. 1166 (MEL)):

Printout of commercial paper inventory, showing total inventory of Penn Central and random issuers from August 7, 1968 through June 22, 1970.

// ASSGN SYS040,X21628
// EXEC

P-103
Fnd
3-28-72

COMMERCIAL PAPER INVENTORY
FROM 8/1/68 TO 8/22/70 - * 000,S OMITTED *

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.M.E.M.
8/01/68	234,325	20,700	6,700	-0-	1,350	6,500	19,450	11,000	-0-	400
8/02/68	209,775	8,900	3,100	-0-	4,000	4,000	16,450	10,500	-0-	500
8/05/68	230,875	3,900	3,150	-0-	1,250	4,000	16,450	10,500	-0-	500
8/06/68	223,025	6,300	850	-0-	1,950	13,250	6,900	-0-	7,750	2,600
8/07/68	218,050	2,300	9,050	-0-	6,800	8,450	5,750	-0-	-0-	3,900
8/08/68	226,200	2,300	12,500	-0-	3,300	8,700	11,000	-0-	5,250	3,900
8/09/68	242,650	2,300	8,500	-0-	4,100	6,500	7,650	1,800	4,250	3,900
8/12/68	240,400	1,000	11,550	-0-	2,900	1,650	6,850	250	-0-	5,800
8/13/68	237,600	-0-	10,800	-0-	7,450	300	750	-0-	-0-	5,300
8/14/68	229,300	-0-	8,650	-0-	5,550	4,000	-0-	3,500	-0-	8,800
8/15/68	197,600	-0-	9,550	-0-	5,200	-0-	5,500	-0-	-0-	1,900
8/16/68	191,600	-0-	9,100	-0-	8,300	1,500	3,250	-0-	-0-	3,650
8/19/68	194,825	-0-	8,300	-0-	5,350	500	5,500	-0-	-0-	2,050
8/20/68	188,400	-0-	6,250	-0-	6,650	1,500	600	-0-	-0-	2,450
8/21/68	214,475	-0-	4,250	-0-	5,850	12,600	-0-	-0-	-0-	4,850
8/22/68	196,625	4,900	3,750	-0-	5,750	10,800	-0-	-0-	-0-	3,700
8/23/68	201,675	500	3,650	-0-	600	100	5,000	-0-	3,000	1,500
8/26/68	214,675	-0-	3,300	-0-	1,550	100	5,500	3,000	-0-	1,350
8/27/68	218,075	-0-	3,200	-0-	500	100	2,000	-0-	-0-	1,350
8/28/68	257,200	5,000	3,200	-0-	700	3,850	15,000	3,500	4,000	3,050
8/29/69	264,200	9,250	3,200	-0-	2,100	9,000	14,300	4,000	4,000	5,050
8/30/68	205,350	8,800	2,850	-0-	700	6,000	16,500	1,200	-0-	100
9/03/68	260,450	4,950	6,850	-0-	3,550	5,000	24,250	14,200	1,000	2,700
9/04/68	258,200	2,350	7,150	-0-	5,150	9,250	19,350	16,850	-0-	4,650
9/05/68	256,750	9,250	7,850	-0-	5,700	4,750	14,750	20,050	1,000	4,150
9/06/68	[illegible],050	7,250	12,350	-0-	5,550	4,250	14,350	25,950	1,000	4,050

COMMERCIAL PAPER INVENTORY
FROM 8/1/68 TO 6/22/70 - * 000,S OMITTED *

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.M.E.M.

1514a

9/09/68	240,425	7,150	8,350	-0-	5,200	1,000	9,400	15,700	1,000	4,550
9/10/68	242,525	11,800	9,350	-0-	5,650	5,300	13,100	10,700	1,000	7,850
9/11/68	244,075	11,800	13,100	-0-	2,900	3,300	9,400	9,400	-0-	5,250
9/12/68	248,875	10,200	12,350	-0-	4,550	2,700	10,400	7,500	-0-	5,350
9/13/68	231,475	10,100	12,600	-0-	4,900	2,000	5,500	1,950	-0-	4,850
9/16/68	277,175	8,300	9,600	-0-	3,400	6,900	9,800	9,700	-0-	6,450
9/17/68	230,275	10,300	8,500	-0-	3,150	3,900	7,500	1,900	-0-	6,450
9/18/68	227,425	12,050	12,600	-0-	2,900	14,500	6,400	3,600	-0-	6,450
9/19/68	240,175	13,050	11,200	-0-	1,800	12,600	8,100	3,100	-0-	4,950
9/20/68	244,425	9,750	9,200	-0-	950	6,450	3,600	6,700	-0-	5,650
9/23/68	213,225	10,800	7,700	-0-	3,350	11,650	300	3,900	-0-	5,150
9/24/68	219,825	12,300	6,200	-0-	2,850	4,000	2,500	-0-	-0-	4,450
9/25/68	231,425	12,000	3,900	-0-	4,500	1,050	6,700	-0-	-0-	6,300
9/26/68	205,875	10,750	5,150	-0-	6,900	950	200	-0-	-0-	3,900
9/27/68	212,150	10,350	3,550	-0-	8,900	1,250	200	-0-	-0-	3,300
9/30/68	236,900	8,650	4,150	-0-	2,750	250	10,100	6,300	3,000	3,050
10/01/68	242,325	9,650	7,150	-0-	3,600	250	16,000	8,500	3,000	2,850
10/02/68	243,975	11,050	7,150	-0-	3,600	250	16,500	10,600	2,500	2,750
10/03/68	243,825	9,950	12,750	-0-	2,000	2,250	5,600	5,000	2,100	4,150
10/04/68	231,275	9,950	10,700	-0-	1,800	1,350	5,100	5,200	2,100	9,150
10/07/68	246,775	9,450	8,850	-0-	3,300	6,850	8,000	5,800	600	8,750
10/08/68	248,425	8,350	6,650	-0-	1,800	6,750	7,900	200	-0-	7,050
10/09/68	251,925	7,850	4,950	-0-	1,550	11,750	11,900	200	-0-	6,750
10/10/68	272,425	12,300	6,000	-0-	950	10,200	3,050	8,000	-0-	7,300
10/11/68	248,475	11,600	8,950	-0-	2,450	2,050	1,500	5,000	-0-	5,100
10/14/68	241,905	14,900	14,750	-0-	2,150	2,450	3,500	1,250	-0-	4,900
10/15/68	236,755	11,900	13,750	-0-	1,950	8,500	3,500	1,250	-0-	6,400
10/16/68	240,480	10,700	15,850	-0-	4,350	2,500	8,000	750	-0-	7,700
10/17/68	211,680	10,600	18,250	-0-	2,250	900	-0-	250	-0-	7,400
10/18/68	182,030	9,350	12,150	-0-	2,250	700	-0-	1,150	-0-	9,450
10/21/68	191,680	7,300	11,800	-0-	1,900	400	-0-	750	-0-	7,150
10/22/68	158,380	6,600	9,150	-0-	2,650	-0-	-0-	250	-0-	6,750
10/23/68	149,950	5,600	9,600	-0-	1,750	1,000	-0-	2,250	-0-	6,950

1515

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.M.C.M.
10/24/68	168,650	9,100	8,600	-0-	1,300	7,700	-0-	3,100	-0-	4,650
10/25/68	148,625	8,300	7,400	-0-	2,800	5,400	-0-	2,100	-0-	4,600
10/28/68	168,200	3,900	7,300	-0-	1,300	12,300	5,000	900	-0-	5,750
10/29/68	174,885	3,900	6,900	-0-	1,200	7,900	-0-	600	-0-	4,550
10/30/68	190,985	3,800	6,150	-0-	2,200	9,500	-0-	100	-0-	4,950
10/31/68	189,935	2,500	8,500	-0-	2,200	4,900	4,900	2,000	-0-	6,950
11/01/68	156,450	2,000	10,050	-0-	2,000	5,600	2,300	2,000	-0-	6,700
11/04/68	173,750	900	9,400	-0-	1,900	2,700	500	2,000	-0-	8,100
11/06/68	202,150	500	6,900	-0-	1,100	2,200	4,100	5,000	-0-	6,300
11/07/68	207,000	500	6,300	-0-	2,300	1,500	8,100	100	-0-	5,400
11/08/68	175,050	600	4,200	-0-	2,300	9,500	5,600	3,000	-0-	6,500
11/12/68	216,850	-0-	3,800	-0-	3,700	16,400	9,100	500	-0-	5,000
11/13/68	214,375	400	3,800	-0-	3,500	5,000	5,200	1,550	-0-	7,000
11/14/68	169,025	200	2,700	-0-	3,000	-0-	100	100	-0-	3,450
11/15/68	189,225	-0-	3,700	-0-	2,900	8,000	2,500	-0-	-0-	3,450
11/18/68	190,575	4,000	2,400	-0-	2,800	9,850	5,750	-0-	-0-	2,450
11/19/68	197,575	3,600	2,400	-0-	5,300	9,050	250	-0-	-0-	2,100
11/20/68	228,325	3,250	7,150	-0-	4,000	9,950	7,500	-0-	-0-	4,100
11/21/68	215,625	7,250	8,525	-0-	2,300	8,800	-0-	-0-	5,000	4,100
11/22/68	177,000	7,000	7,450	-0-	2,200	7,800	-0-	-0-	5,000	3,850
11/25/68	208,900	7,850	7,250	-0-	800	15,700	-0-	-0-	4,500	6,250
11/26/68	235,450	7,600	7,250	-0-	2,450	1,000	-0-	-0-	4,500	4,250
11/27/68	237,890	7,500	5,750	-0-	1,350	7,500	3,000	400	1,500	6,750
11/29/68	221,240	5,500	6,750	-0-	1,150	3,000	9,000	3,600	1,500	6,450
12/02/68	265,450	3,250	13,750	-0-	4,650	6,500	12,200	2,500	1,100	6,350
12/03/68	232,440	1,250	7,750	-0-	1,250	10,800	2,200	200	1,100	3,050
12/04/68	247,990	1,150	9,950	-0-	1,250	10,450	-0-	-0-	5,400	2,950
12/05/68	234,040	1,500	12,950	-0-	1,250	10,500	-0-	-0-	800	1,850
12/06/68	221,100	1,400	10,650	-0-	750	8,700	-0-	-0-	600	1,750
12/09/68	251,950	4,300	10,050	-0-	650	13,600	4,500	-0-	500	1,350

COMMERCIAL PAPER INVENTORY
FROM 8/1/68 TO 6/22/70 - • 000,S OMITTED •

12/11/68	244,450	9,000	7,250	-0-	450	15,750	7,000	-0-	-0-	1,050
12/12/68	237,850	8,500	8,500	-0-	450	9,500	16,300	-0-	-0-	350
12/13/68	231,500	7,300	8,850	-0-	450	6,000	17,800	-0-	-0-	350
12/16/68	245,350	6,300	11,650	-0-	450	1,500	23,400	4,000	-0-	350
12/17/68	207,300	2,500	6,650	-0-	250	-0-	4,800	-0-	-0-	350
12/18/68	243,800	1,400	3,650	-0-	250	-0-	17,300	2,000	-0-	350
12/19/68	275,400	1,600	6,650	-0-	250	750	21,300	2,750	-0-	350
12/20/68	272,700	1,600	4,250	-0-	250	-0-	17,400	2,750	-0-	350
12/23/68	222,250	600	3,500	-0-	250	-0-	5,800	-0-	-0-	350
12/24/68	203,250	600	3,100	-0-	250	-0-	7,700	-0-	-0-	350
12/26/68	211,700	1,500	2,700	-0-	250	-0-	7,100	7,050	-0-	250
12/27/68	224,650	1,500	2,700	-0-	250	-0-	6,500	3,350	-0-	250
12/30/68	172,950	400	1,600	-0-	250	-0-	1,600	450	-0-	500
12/31/68	129,600	1,200	1,400	-0-	250	-0-	100	1,450	-0-	100
1/02/69	114,850	300	950	-0-	250	-0-	100	200	-0-	1,000
1/03/69	80,300	-0-	1,950	-0-	-0-	-0-	-0-	200	-0-	200
1/06/69	118,150	2,800	850	-0-	-0-	-0-	4,000	4,000	-0-	100
1/07/69	117,950	-0-	3,250	-0-	-0-	-0-	100	-0-	-0-	100
1/08/69	68,350	-0-	50	-0-	-0-	250	-0-	300	-0-	-0-
1/09/69	77,050	500	-0-	-0-	-0-	2,400	-0-	-0-	-0-	-0-
1/10/69	122,850	-0-	-0-	-0-	-0-	23,900	-0-	-0-	-0-	-0-
1/13/69	142,800	-0-	4,500	-0-	2,000	16,350	2,000	-0-	-0-	1,600
1/14/69	122,600	-0-	4,500	-0-	100	7,450	400	-0-	4,000	1,500
1/15/69	128,850	4,600	4,600	-0-	2,100	3,000	-0-	-0-	4,000	2,500
1/16/69	144,200	4,200	4,600	-0-	600	3,000	-0-	-0-	3,600	2,500
1/17/69	150,600	1,700	4,900	-0-	600	2,000	-0-	-0-	2,100	1,700
1/20/69	145,000	1,100	2,100	-0-	600	500	-0-	-0-	5,100	1,500
1/21/69	125,425	1,100	4,000	-0-	2,500	-0-	-0-	-0-	100	1,500
1/22/69	132,400	1,000	2,200	-0-	3,000	-0-	2,600	200	-0-	500
1/23/69	102,325	1,100	2,900	-0-	1,200	-0-	-0-	-0-	-0-	500
1/24/69	122,325	1,100	1,900	-0-	2,500	1,500	-0-	-0-	2,000	400
1/27/69	143,275	7,000	1,400	-0-	2,500	500	2,150	-0-	2,000	2,300

1/29/69	144,350	4,100	1,300	-0-	4,400	-0-	50	-0-	800	1,800
1/30/69	140,750	6,350	1,300	-0-	4,400	1,550	150	-0-	400	3,300
1/31/69	177,150	5,450	1,000	-0-	600	-0-	-0-	1,200	4,700	3,200
2/03/69	207,600	7,250	400	-0-	600	1,050	4,800	3,950	3,700	3,200
2/04/69	191,300	8,450	300	-0-	1,850	-0-	350	100	400	5,700
2/05/69	234,550	10,350	3,600	-0-	1,950	6,000	6,250	100	400	4,400
2/06/69	210,550	5,850	3,800	-0-	2,600	1,250	100	-0-	400	4,400
2/07/69	174,050	3,900	7,300	-0-	1,600	-0-	-0-	-0-	300	2,800
2/11/69	198,250	3,200	6,000	-0-	2,300	800	6,000	-0-	100	5,600
2/12/69	211,350	3,200	5,900	-0-	2,300	3,500	5,500	-0-	100	4,800
2/13/69	213,000	1,600	7,700	-0-	2,000	1,400	-0-	-0-	100	7,000
2/14/69	195,025	1,500	7,100	-0-	2,750	1,600	500	-0-	-0-	7,500
2/17/69	246,000	1,600	13,600	-0-	3,500	3,700	8,000	-0-	5,000	9,200
2/18/69	222,800	1,900	15,200	-0-	3,500	3,300	2,700	-0-	4,800	9,750
2/19/69	226,850	1,900	16,900	-0-	3,250	3,600	-0-	-0-	2,100	8,450
2/20/69	220,325	1,600	15,000	-0-	5,150	5,150	-0-	300	2,000	8,950
2/21/69	206,850	850	7,900	-0-	4,150	7,100	-0-	200	1,500	8,950
2/24/69	179,700	350	8,800	-0-	2,250	3,450	-0-	-0-	1,500	9,200
2/25/69	177,050	250	7,900	-0-	4,250	2,550	-0-	-0-	6,500	6,700
2/26/69	181,100	-0-	7,700	-0-	2,750	1,600	-0-	-0-	6,500	6,100
2/27/69	179,250	-0-	6,600	-0-	2,750	350	-0-	2,000	5,850	5,700
2/28/69	174,050	950	5,500	-0-	3,050	100	-0-	1,300	5,650	5,900
3/03/69	199,450	2,250	7,900	-0-	3,250	300	1,000	3,100	9,700	7,100
3/04/69	193,650	2,650	7,400	-0-	5,250	450	-0-	800	8,300	6,400
3/05/69	206,650	6,050	7,850	-0-	6,250	3,550	-0-	800	7,450	5,850
3/06/69	222,900	5,650	8,550	-0-	5,000	1,300	-0-	600	5,450	6,850
3/07/69	209,450	7,250	7,900	-0-	4,750	5,950	-0-	-0-	5,350	6,250
3/10/69	230,475	6,075	7,200	-0-	4,750	3,850	-0-	1,500	4,350	9,150
3/11/69	214,625	5,475	4,950	-0-	4,250	3,850	-0-	-0-	2,600	7,150
3/12/69	214,725	3,575	5,600	-0-	3,700	2,600	2,000	-0-	2,600	5,200

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.M.C.C.

3/13/69	199,975	3,575	5,300	-0-	5,000	1,500	-0-	-0-	2,500	5,200
3/14/69	191,025	5,075	4,800	-0-	4,800	1,700	-0-	-0-	2,500	4,900
3/17/69	177,125	2,275	6,800	-0-	3,800	750	-0-	500	2,500	4,400
3/18/69	131,975	1,975	6,100	-0-	4,800	750	-0-	-0-	2,000	1,300
3/19/69	139,125	575	4,000	12,400	1,300	-0-	-0-	-0-	1,750	1,300
3/20/69	130,750	3,800	4,000	7,650	1,800	-0-	-0-	-0-	1,750	1,300
3/21/69	146,850	17,000	4,000	8,700	1,800	5,700	-0-	-0-	1,750	1,300
3/24/69	156,650	16,400	1,250	7,300	1,500	3,300	-0-	2,500	1,250	1,300
3/25/69	193,300	19,400	1,250	9,900	4,500	8,300	1,000	6,200	1,250	1,000
3/26/69	209,900	15,200	750	10,050	4,200	8,600	1,000	7,600	1,250	1,000
3/27/69	224,550	12,700	500	8,500	3,450	3,100	1,000	7,200	1,250	2,900
3/28/69	192,650	12,700	1,500	13,300	3,250	1,500	-0-	4,600	750	2,800
3/31/69	224,700	12,700	1,400	15,700	4,750	1,100	-0-	3,500	750	5,100
4/01/69	234,000	5,400	4,900	15,300	4,950	500	-0-	1,000	500	7,000
4/02/69	224,050	5,400	4,800	17,150	2,950	2,500	-0-	1,000	500	6,200
4/03/69	236,050	8,700	5,200	16,150	3,700	2,000	-0-	1,050	500	9,000
4/04/69	230,350	8,900	5,200	15,950	4,250	4,200	5,500	8,450	500	5,200
4/07/69	198,550	11,550	2,100	16,150	1,000	100	-0-	2,000	500	3,600
4/08/69	187,200	8,300	900	20,250	2,250	350	-0-	500	500	3,600
4/09/69	181,900	4,700	400	20,050	250	200	-0-	-0-	500	3,100
4/10/69	176,000	4,050	200	21,450	1,000	-0-	-0-	-0-	500	5,200
4/11/69	178,470	4,000	100	28,750	-0-	-0-	-0-	-0-	500	4,900
4/14/69	208,820	3,500	2,100	27,850	-0-	500	500	-0-	500	4,500
4/15/69	212,025	4,400	100	26,150	-0-	6,700	3,750	-0-	3,500	3,200
4/16/69	204,690	3,400	100	34,855	-0-	3,500	-0-	-0-	2,900	5,600
4/17/69	222,275	500	3,900	24,400	1,000	10,250	1,200	-0-	2,800	7,250
4/18/69	226,875	4,950	1,800	28,300	1,000	6,650	1,700	-0-	2,600	6,850
4/21/69	247,625	5,050	500	27,800	1,000	9,700	6,750	-0-	2,600	6,250
4/22/69	234,325	3,850	-0-	27,000	1,000	6,550	600	-0-	2,600	5,900
4/23/69	197,400	1,000	-0-	26,400	-0-	5,050	500	-0-	2,500	5,800
4/24/69	210,450	3,700	-0-	24,450	-0-	2,200	-0-	-0-	2,500	7,100
4/25/69	207,300	3,000	-0-	24,050	-0-	2,900	-0-	-0-	2,500	6,800
4/28/69	212,450	3,700	-0-	23,350	-0-	-0-	7,000	1,000	1,500	5,500

4/29/69 •	[illegible]	2,700	-0-	23,850	-0-	-0-	[illegible]	[illegible]	[illegible]	[illegible]
4/30/69	239,050	7,100	4,100	21,750	-0-	2,000	8,500	7,700	500	5,500
5/01/69	241,950	8,900	4,450	20,750	-0-	-0-	3,300	5,400	500	7,500
5/02/69	245,000	5,600	8,350	19,750	-0-	10,200	3,600	4,200	500	7,500
5/05/69	247,950	9,200	7,950	22,350	-0-	8,500	3,200	3,000	500	6,900
5/06/69	248,450	8,700	9,450	21,950	-0-	17,600	500	3,000	500	3,800
5/07/69	232,100	9,200	8,750	21,450	1,500	18,900	500	1,500	3,000	3,500
5/08/69	224,550	9,700	5,650	23,250	1,500	2,300	500	1,500	500	3,500
5/09/69	184,125	8,075	7,450	20,250	1,500	500	500	500	500	2,500
5/12/69	200,875	7,775	6,250	27,550	1,500	500	500	500	-0-	2,500
5/13/69	167,825	7,025	5,650	27,550	1,250	1,000	-0-	-0-	-0-	2,500
5/14/69	130,650	9,750	2,700	26,050	250	200	-0-	-0-	-0-	2,400
5/15/69	184,275	13,950	10,900	26,050	3,250	-0-	-0-	-0-	-0-	4,100
5/16/69	164,300	14,650	4,700	25,250	2,600	4,600	-0-	-0-	4,000	[illegible]
5/19/69	173,050	14,500	[illegible]	25,250	2,600	7,050	-0-	-0-	3,500	3,800
5/20/69	170,100	13,500	8,600	25,150	2,250	6,550	-0-	-0-	3,600	800
5/21/69	174,950	15,600	7,150	25,050	2,250	9,450	-0-	-0-	2,500	800
5/22/69	172,700	13,300	5,550	24,700	2,250	7,250	-0-	-0-	2,500	2,200
5/23/69	159,950	12,100	4,000	22,600	2,250	1,500	-0-	-0-	2,000	800
5/26/69	150,200	13,400	6,450	20,600	1,250	-0-	-0-	2,000	2,000	800
5/27/69	151,200	14,400	7,400	19,800	1,250	-0-	-0-	1,800	1,300	600
5/28/69	165,000	12,500	7,300	19,800	2,000	5,500	-0-	1,300	1,500	2,600
5/29/69	161,950	13,675	7,900	18,800	750	5,300	-0-	-0-	1,500	2,300
6/02/69	160,125	13,950	11,600	18,500	750	1,500	-0-	-0-	2,500	1,000
6/03/69	165,725	12,800	5,000	18,500	500	2,500	3,500	3,000	1,500	1,800
6/04/69	172,950	11,450	4,000	16,500	250	2,500	1,500	1,500	1,500	1,200
6/05/69	161,050	2,750	5,650	15,500	250	600	-0-	-0-	500	4,100
6/06/69	167,180	2,750	1,200	15,500	250	1,900	-0-	-0-	500	3,000
6/09/69	154,980	2,000	2,200	15,000	250	4,900	5,600	-0-	500	5,000
6/10/69	191,250	6,850	2,500	12,500	2,250	6,300	5,000	-0-	500	4,600
6/11/69	175,180	6,950	2,500	13,000	250	4,850	2,000	-0-	500	4,600

6/12/69	214,050	7,500	8,950	10,500	2,250	6,000	8,100	1,000	500	6,600
6/13/69	201,900	7,200	7,850	10,500	2,250	5,500	2,500	-0-	500	5,400
6/16/69	209,350	6,700	11,000	10,500	3,050	4,500	-0-	-0-	3,200	5,150
6/17/69	190,350	6,000	12,400	10,500	3,400	3,500	-0-	-0-	1,000	3,250
6/18/69	186,900	5,500	13,200	-0-	3,400	3,500	-0-	-0-	500	3,000
6/19/69	210,650	5,500	16,900	10,500	2,900	4,900	-0-	-0-	-0-	3,000
6/20/69	201,950	5,600	15,600	10,500	2,900	3,600	-0-	-0-	-0-	3,000
6/23/69	186,650	4,850	9,500	7,500	2,650	500	-0-	-0-	-0-	3,900
6/24/69	173,500	2,000	9,000	6,600	2,650	-0-	-0-	850	-0-	2,800
6/25/69	199,500	2,600	7,000	6,600	2,650	1,700	-0-	600	4,000	2,500
6/26/69	221,700	8,800	5,000	6,500	2,650	3,000	-0-	600	1,900	4,200
6/27/69	207,350	6,700	4,000	6,500	2,250	1,500	-0-	600	1,900	4,200
6/30/69	210,200	7,700	4,000	6,500	3,500	1,500	-0-	1,000	1,900	6,200
7/01/69	193,300	7,400	2,500	6,500	4,250	500	-0-	1,500	1,800	4,100
7/02/69	227,250	10,950	3,500	6,500	3,500	-0-	-0-	500	500	8,000
7/03/69	184,300	11,050	5,500	6,500	1,250	1,100	-0-	-0-	200	4,500
7/07/69	188,250	14,350	9,200	6,500	2,000	-0-	-0-	-0-	200	6,100
7/08/69	190,840	11,000	10,800	6,000	1,650	-0-	-0-	4,400	-0-	2,400
7/09/69	168,250	7,500	8,200	6,000	750	-0-	-0-	2,500	-0-	7,100
7/10/69	163,750	4,700	6,700	6,000	1,900	1,000	-0-	-0-	-0-	4,700
7/11/69	154,000	4,100	4,500	6,000	1,250	-0-	-0-	-0-	-0-	5,000
7/14/69	156,650	4,400	5,000	5,500	1,250	1,300	-0-	-0-	1,600	5,000
7/15/69	173,850	4,200	12,000	5,000	1,250	1,300	-0-	-0-	1,600	6,000
7/16/69	145,150	3,150	11,600	5,000	1,000	100	-0-	-0-	1,500	5,900
7/17/69	164,200	2,850	15,350	5,000	500	-0-	-0-	-0-	1,500	7,500
7/18/69	165,100	4,800	16,250	5,000	500	700	-0-	-0-	1,500	7,200
7/21/69	187,300	10,200	16,750	5,000	250	7,800	-0-	-0-	1,500	7,000
7/22/69	186,400	7,350	17,550	5,200	-0-	7,000	-0-	-0-	1,500	8,000
7/23/69	189,850	4,950	14,950	5,100	-0-	6,600	-0-	-0-	-0-	12,900
7/24/69	177,300	6,200	8,500	5,000	-0-	1,500	-0-	-0-	-0-	7,200
7/25/69	155,075	7,325	-0-	5,000	1,000	1,000	-0-	-0-	-0-	7,400
7/28/69	153,800	6,800	-0-	4,500	-0-	900	-0-	950	-0-	6,600
7/[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

7/30/69	145,700	6,750	2,000	16,200	3,700	1,000	-0-	500	-0-	7,900
7/31/69	210,854	9,250	3,000	14,979	5,400	4,350	-0-	6,300	-0-	8,100
8/01/69	181,229	8,050	3,000	14,454	3,100	550	-0-	4,600	-0-	4,100
8/04/69	187,279	10,350	2,200	12,754	3,950	2,750	-0-	3,100	-0-	4,600
8/05/69	191,825	7,650	4,500	11,900	3,250	900	-0-	2,100	3,000	4,500
8/06/69	202,975	8,900	4,900	4,250	2,750	2,000	-0-	1,500	1,500	7,000
8/07/69	228,725	10,200	5,200	3,750	3,750	6,800	1,400	2,000	2,500	6,800
8/08/69	200,975	7,200	5,400	3,250	3,750	6,600	-0-	-0-	2,200	6,800
8/11/69	197,875	9,850	11,100	2,750	3,250	11,100	-0-	-0-	500	5,500
8/12/69	170,875	5,500	12,600	-0-	3,000	7,750	-0-	-0-	500	3,500
8/13/69	184,475	6,600	9,600	2,000	2,750	2,650	-0-	-0-	6,500	6,000
8/14/69	208,850	10,000	8,300	-0-	2,500	2,300	-0-	3,000	9,500	14,400
8/15/69	210,950	10,250	6,800	-0-	2,500	3,400	-0-	4,000	8,800	4,900
8/18/69	225,125	12,500	11,500	-0-	2,100	5,200	-0-	4,000	7,700	4,600
8/19/69	224,375	10,900	10,700	-0-	2,850	7,450	1,000	6,100	7,600	7,100
8/20/69	202,275	10,600	9,600	-0-	1,550	5,150	-0-	2,500	3,500	6,000
8/21/69	218,875	5,100	9,100	-0-	1,450	10,350	-0-	-0-	8,500	4,800
8/22/69	212,575	5,300	8,100	-0-	1,350	8,850	-0-	2,000	8,500	6,800
8/25/69	244,700	6,000	10,800	-0-	1,250	8,550	-0-	8,000	8,500	6,700
8/26/69	239,250	6,350	7,600	-0-	1,250	8,950	-0-	4,000	8,500	8,400
8/27/69	238,900	6,750	9,600	-0-	-0-	5,250	-0-	1,600	3,000	7,800
8/28/69	269,250	6,300	11,150	-0-	-0-	2,000	-0-	4,300	3,000	9,000
8/29/69	276,400	6,950	7,850	-0-	-0-	1,500	-0-	3,450	3,000	11,000
9/02/69	279,200	7,350	7,850	-0-	-0-	900	-0-	3,350	1,000	10,700
9/03/69	272,950	7,750	7,500	-0-	2,000	750	-0-	2,150	1,000	13,200
9/04/69	295,350	8,650	11,550	-0-	2,000	2,400	-0-	4,700	-0-	11,900
9/05/69	234,600	11,750	11,850	-0-	1,500	1,100	-0-	-0-	-0-	11,800
9/08/69	215,800	12,400	11,650	-0-	1,500	1,000	-0-	500	-0-	11,500
9/09/69	213,250	9,350	4,250	-0-	-0-	3,750	-0-	-0-	-0-	13,250
9/10/69	218,330	16,300	4,750	-0-	-0-	5,150	-0-	-0-	-0-	12,500

9/11/69	224,550	14,850	5,250	-0-	-0-	9,350	7,000	-0-	-0-	13,000
9/12/69	244,850	17,400	7,350	-0-	-0-	11,900	6,350	-0-	-0-	11,000
9/15/69	235,150	12,450	6,250	-0-	-0-	1,000	1,900	-0-	-0-	10,500
9/16/69	225,900	10,450	9,250	-0-	-0-	500	300	-0-	-0-	10,500
9/17/69	230,250	10,350	9,450	-0-	-0-	600	-0-	-0-	-0-	12,000
9/18/69	228,185	9,600	9,850	-0-	-0-	500	-0-	-0-	-0-	11,800
9/19/69	241,435	11,200	8,750	-0-	-0-	500	1,200	-0-	-0-	11,500
9/22/69	230,735	9,100	8,250	-0-	-0-	4,500	500	-0-	-0-	10,500
9/23/69	230,685	9,150	4,750	10,000	2,000	500	-0-	800	-0-	10,000
9/24/69	219,100	7,550	4,750	4,000	2,000	500	-0-	-0-	-0-	9,000
9/25/69	256,775	14,300	4,750	4,000	2,000	-0-	-0-	-0-	2,000	11,000
9/26/69	246,675	14,250	4,000	3,000	2,000	1,050	-0-	-0-	2,000	9,400
9/29/69	286,625	13,950	5,500	-0-	2,000	250	2,500	-0-	1,000	10,600
9/30/69	227,925	11,850	5,500	-0-	1,000	250	-0-	-0-	-0-	10,300
10/01/69	191,125	8,850	4,500	-0-	-0-	-0-	-0-	-0-	-0-	9,600
10/02/69	199,275	6,500	5,300	-0-	-0-	-0-	-0-	-0-	-0-	10,500
10/03/69	189,300	9,625	5,200	1,000	2,500	-0-	-0-	-0-	-0-	10,300
10/06/69	195,325	9,825	4,000	-0-	2,500	1,000	-0-	-0-	-0-	9,100
10/07/69	193,525	9,125	4,200	-0-	2,500	700	3,600	-0-	-0-	6,800
10/08/69	178,875	10,225	4,000	-0-	2,500	1,500	2,000	-0-	-0-	5,600
10/09/69	193,300	8,825	6,000	-0-	2,500	1,500	2,000	-0-	-0-	8,500
10/10/69	192,500	8,125	6,000	-0-	2,500	1,750	2,000	-0-	-0-	6,500
10/13/69	219,650	7,125	-0-	-0-	-0-	-0-	2,000	-0-	-0-	-0-
10/14/69	214,140	6,550	7,300	-0-	2,500	1,500	2,000	-0-	-0-	9,500
10/15/69	193,040	7,375	4,300	-0-	4,500	1,000	-0-	-0-	-0-	5,700
10/16/69	212,040	6,875	6,050	-0-	4,500	1,800	-0-	350	-0-	7,000
10/17/69	212,340	6,875	5,800	-0-	3,700	2,500	-0-	-0-	-0-	6,000
10/20/69	219,300	8,075	4,500	-0-	3,700	5,200	-0-	1,000	-0-	5,700
10/21/69	202,150	8,075	6,500	-0-	2,700	4,700	1,000	500	-0-	5,700
10/22/69	190,275	6,375	6,500	-0-	2,700	3,000	-0-	500	-0-	6,000
10/23/69	188,500	3,975	6,000	-0-	2,200	500	-0-	-0-	-0-	5,700
10/24/69	178,150	5,475	6,000	-0-	2,200	1,000	1,100	-0-	-0-	5,200
10/27/69	141,025	7,525	6,000	-0-	1,000	-0-	1,100	-0-	-0-	5,000

10/29/69	160,225	6,400	9,000	-0-	1,000	100	1,000	500	-0-	5,000
10/29/69	179,350	9,175	8,800	-0-	1,000	1,300	-0-	1,500	-0-	7,000
10/30/69	175,600	9,175	7,900	-0-	1,000	1,000	-0-	1,000	-0-	6,500
10/31/69	169,350	8,075	6,500	-0-	500	500	-0-	500	-0-	5,900
11/03/69	228,822	9,400	7,700	-0-	500	4,700	-0-	6,550	-0-	6,500
11/04/69	222,972	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
11/05/69	261,040	14,250	5,100	-0-	850	8,650	-0-	13,600	-0-	6,500
11/06/69	286,280	15,250	10,800	-0-	500	9,250	-0-	13,500	-0-	6,500
11/07/69	264,545	16,300	8,550	-0-	-0-	3,950	1,500	15,900	-0-	6,500
11/10/69	263,105	13,900	7,550	-0-	1,575	1,550	-0-	9,500	-0-	7,000
11/12/69	243,527	12,925	8,250	-0-	2,200	350	-0-	9,450	1,100	6,500
11/13/69	258,541	12,350	9,450	-0-	-0-	-0-	2,500	7,950	-0-	7,000
11/14/69	246,250	11,000	6,000	1,500	-0-	-0-	-0-	6,500	-0-	7,000
11/17/69	220,883	10,300	3,500	-0-	-0-	4,000	-0-	6,500	1,000	7,000
11/18/69	262,617	10,800	4,950	-0-	200	800	6,500	5,500	1,000	7,000
11/19/69	243,027	7,500	3,600	3,500	100	-0-	5,000	5,500	1,000	6,000
11/20/69	235,490	7,900	4,600	3,700	-0-	-0-	7,850	4,500	1,000	6,000
11/21/69	212,910	7,850	3,200	1,200	-0-	-0-	6,950	4,500	-0-	8,800
11/24/69	224,946	7,000	7,450	5,100	-0-	1,000	2,750	3,000	-0-	9,600
11/25/69	232,097	6,500	12,700	2,800	-0-	-0-	3,200	3,500	-0-	9,600
11/26/69	257,823	17,800	11,900	15,350	2,450	1,500	2,750	2,950	-0-	11,000
11/28/69	288,296	21,850	11,900	15,000	2,000	-0-	8,800	1,500	-0-	13,100
12/01/69	286,994	21,850	8,000	11,200	2,000	700	12,200	3,500	-0-	10,100

12/02/69	286,749	16,750	6,700	11,250	4,550	800	15,100	1,500	-0-	10,100
12/03/69	274,694	16,850	6,600	5,000	2,165	1,550	11,400	500	-0-	11,500
12/04/69	286,853	14,350	8,900	5,000	1,450	9,100	11,100	1,500	-0-	8,500
12/05/69	296,175	19,475	13,500	5,000	1,800	11,400	13,500	1,000	-0-	7,500
12/08/69	290,715	17,375	17,750	5,000	550	19,400	10,850	500	-0-	2,000
12/09/69	276,220	16,625	23,550	5,000	-0-	16,200	12,850	-0-	-0-	7,500
12/10/69	270,970	15,600	22,700	-0-	-0-	16,000	6,350	-0-	-0-	6,500
12/11/69	271,165	19,500	21,350	-0-	-0-	27,000	9,000	-0-	-0-	8,500
12/12/69	243,670	16,050	21,250	4,000	1,380	23,500	6,700	-0-	5,000	10,000
12/15/69	304,980	22,700	10,750	1,650	800	27,050	4,400	-0-	5,000	10,500
12/16/69	280,024	21,520	11,250	3,000	600	23,150	4,100	-0-	-0-	10,300
12/17/69	271,124	19,320	10,250	-0-	1,800	22,050	2,400	-0-	-0-	10,100
12/18/69	258,994	18,970	9,850	2,000	3,100	19,850	3,250	-0-	-0-	10,100
12/19/69	239,474	16,170	7,950	-0-	815	13,950	1,000	-0-	-0-	13,600
12/22/69	239,519	17,020	7,350	750	5,035	7,700	-0-	500	-0-	12,300
12/23/69	245,464	16,570	7,910	750	3,950	1,000	1,740	-0-	-0-	11,000
12/24/69	208,769	400	6,410	950	2,250	1,700	740	-0-	-0-	9,750
12/26/69	219,565	4,150	7,750	2,250	300	7,550	3,000	-0-	-0-	9,500
12/29/69	240,495	5,815	6,100	950	200	7,550	5,200	-0-	-0-	9,500
12/30/69	228,950	6,365	4,500	950	-0-	6,750	1,000	-0-	-0-	7,500
12/31/69	232,550	3,815	2,000	100	-0-	1,250	2,100	-0-	-0-	7,500
1/02/70	196,640	3,715	500	100	-0-	10,250	1,100	10,000	-0-	7,500
1/05/70	194,370	4,265	900	2,700	1,800	-0-	1,100	1,000	-0-	6,300
1/06/70	176,355	4,490	4,800	-0-	200	500	1,100	-0-	-0-	6,500
1/07/70	166,514	4,390	3,100	3,000	850	500	1,100	1,000	-0-	6,500
1/08/70	175,035	7,165	2,965	11,000	-0-	2,300	-0-	600	-0-	5,000
1/09/70	162,425	12,000	1,300	6,250	400	6,000	-0-	-0-	-0-	4,000
1/12/70	190,801	18,850	-0-	5,000	-0-	800	-0-	-0-	-0-	4,000
1/13/70	190,716	16,895	6,600	5,000	-0-	1,000	-0-	2,500	-0-	3,500

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	GM	GOODRICH	GOODYEAR	STEVENS	U.S. STEEL
1/14/70	221,610	13,995	8,200	5,000	500	11,600	1,500	-0-	-0-	3,500
1/15/70	243,960	12,145	10,000	5,000	1,300	16,000	500	-0-	-0-	2,000
1/16/70	229,912	15,045	12,000	1,050	1,000	14,650	500	-0-	-0-	2,000
1/19/70	250,685	14,400	9,200	-0-	1,000	13,450	-0-	-0-	-0-	3,000
1/20/70	241,881	15,450	8,700	500	500	11,450	-0-	-0-	-0-	3,500
1/21/70	237,396	15,720	7,200	1,000	1,400	14,200	-0-	-0-	-0-	2,700
1/22/70	210,621	18,120	6,000	-0-	2,400	9,200	-0-	500	-0-	2,700
1/23/70	215,625	13,270	3,000	3,000	1,800	10,150	-0-	-0-	-0-	2,200
1/26/70	226,561	16,570	6,750	500	850	14,350	-0-	-0-	-0-	4,700
1/27/70	228,381	17,370	5,000	400	500	11,800	-0-	2,000	-0-	4,700
1/28/70	221,966	13,250	5,700	2,400	1,500	9,000	-0-	1,000	-0-	4,200
1/29/70	243,856	14,920	5,450	3,400	300	7,950	-0-	4,000	2,000	3,700
1/30/70	263,325	13,710	8,750	5,040	1,500	6,000	-0-	2,000	2,000	3,600
2/02/70	248,198	9,210	9,550	5,040	2,700	6,000	-0-	2,000	2,000	4,500
2/03/70	240,353	10,110	8,850	4,540	2,500	6,000	-0-	5,400	2,000	3,750
2/04/70	261,771	16,610	9,850	4,290	2,500	4,000	-0-	5,400	2,000	4,250
2/05/70	287,613	14,710	15,675	6,790	2,500	4,000	-0-	8,400	2,000	5,450
2/06/70	248,830	14,250	9,350	4,040	3,500	9,250	-0-	700	2,000	6,750
2/09/70	242,968	4,650	12,850	4,040	4,950	5,100	-0-	5,200	2,000	6,500
2/10/70	240,828	3,000	9,450	3,040	3,000	2,200	-0-	15,200	5,000	10,100
2/11/70	259,292	1,700	12,350	2,740	2,500	7,250	-0-	9,000	4,500	9,400
2/13/70	257,025	6,050	14,800	3,040	2,000	8,750	-0-	6,300	4,500	9,400
2/16/70	268,780	4,700	13,300	3,540	2,400	18,100	-0-	5,800	4,000	8,900
2/17/70	251,446	3,470	12,500	3,340	2,150	15,950	-0-	7,500	4,000	3,150
2/18/70	265,104	3,470	13,200	2,540	2,000	6,800	-0-	7,500	4,000	4,150
2/19/70	254,376	3,470	12,700	1,640	1,500	4,050	-0-	5,000	4,000	4,050
2/20/70	248,114	1,100	16,500	1,140	2,000	5,950	-0-	6,000	4,000	4,050
2/24/70	255,478	1,000	15,000	140	3,400	9,200	-0-	8,800	4,000	6,350
2/25/70	262,023	-0-	14,500	200	3,500	1,700	-0-	7,300	4,000	6,350
2/26/70	261,306	-0-	12,550	1,200	500	1,300	-0-	10,200	3,000	6,250
2/27/70	245,727	-0-	-0-	1,200	500	400	-0-	4,000	3,000	8,350
[illegible]	[illegible]	[illegible]	2,000	1,200	500	200	-0-	4,000	3,000	8,350

3/03/70	261,239	1,450	2,000	1,000	900	1,000	-0-	1,000	1,000	4,000
3/04/70	284,805	3,550	9,300	-0-	500	6,900	-0-	6,300	5,000	5,750
3/05/70	274,086	3,050	9,300	1,265	4,220	2,800	-0-	4,500	5,000	5,750
3/06/70	256,774	3,050	4,500	-0-	900	800	-0-	2,700	5,000	5,650
3/09/70	237,663	2,750	4,500	-0-	1,940	1,300	-0-	7,500	4,500	5,350
3/10/70	231,687	2,750	3,000	-0-	3,500	2,900	-0-	1,000	4,500	5,350
3/11/70	235,857	3,250	2,000	-0-	800	3,450	-0-	1,000	4,500	4,350
3/12/70	191,252	3,750	6,235	1,500	1,500	6,950	-0-	-0-	2,000	3,450
3/13/70	194,258	4,700	5,735	500	1,150	5,800	-0-	-0-	2,000	1,750
3/16/70	241,420	3,650	1,500	2,000	-0-	8,350	-0-	-0-	8,000	1,400
3/17/70	252,970	3,650	1,250	1,000	-0-	7,250	-0-	-0-	8,000	1,200
3/18/70	289,911	3,350	7,150	1,000	-0-	1,000	-0-	5,500	7,500	3,200
3/19/70	276,009	2,000	9,900	1,000	-0-	-0-	-0-	4,500	5,500	3,200
3/20/70	292,032	2,000	13,233	-0-	300	19,900	-0-	3,000	5,500	4,700
3/23/70	304,643	2,000	13,835	-0-	335	23,400	9,000	2,150	5,500	3,200
3/24/70	284,420	2,000	17,235	-0-	1,000	17,950	14,200	750	4,000	3,600
3/25/70	312,166	2,000	13,485	-0-	2,450	20,050	16,700	2,200	4,500	6,100
3/26/70	334,685	2,000	13,685	-0-	2,774	20,500	11,900	1,200	7,500	5,800
3/27/70	307,268	2,000	13,985	-0-	-0-	12,800	5,500	1,500	6,500	8,200
3/30/70	338,394	6,200	10,100	-0-	-0-	8,700	5,500	3,000	6,500	11,900
3/31/70	325,780	6,875	15,100	-0-	2,700	3,800	2,000	2,600	4,700	11,600
4/01/70	328,715	8,250	12,900	-0-	-0-	3,300	2,000	2,600	4,700	12,850
4/02/70	309,785	7,250	12,350	-0-	500	9,350	2,000	600	4,700	13,350
4/03/70	304,895	5,400	7,600	-0-	900	2,950	1,000	3,600	4,200	11,950
4/06/70	299,352	4,250	7,400	300	3,200	1,850	-0-	1,400	4,200	8,650
4/07/70	265,590	3,500	5,400	-0-	1,000	1,600	-0-	850	4,200	9,850
4/08/70	237,165	-0-	-0-	-0-	500	1,100	-0-	100	9,200	9,450
4/09/70	243,640	-0-	4,000	-0-	1,100	10,200	-0-	100	3,600	6,700
4/10/70	237,640	-0-	6,350	-0-	1,250	13,700	-0-	-0-	6,600	6,200
4/13/70	243,570	-0-	6,350	-0-	1,250	11,450	-0-	-0-	6,100	8,500
4/14/70	267,270	-0-	14,150	-0-	-0-	1,550	-0-	-0-	6,100	8,300
4/15/70	268,570	-0-	13,100	-0-	-0-	550	-0-	-0-	5,850	9,900

DATE	TOTAL	PENN	AVCO CORP	CHRYSLER	CITY	DOW	GOODRICH	GOODYEAR	STEVENS	U.M & M
4/16/70	255,069	-0-	2,700	-0-	1,000	550	-0-	-0-	5,050	8,200
4/17/70	251,840	-0-	3,700	-0-	1,000	9,150	-0-	2,000	5,100	8,200
4/20/70	206,560	-0-	10,400	-0-	2,500	9,350	-0-	6,500	2,600	8,500
4/21/70	273,482	-0-	11,900	-0-	3,500	800	-0-	5,500	2,600	7,900
4/22/70	270,413	-0-	8,700	-0-	3,500	2,550	-0-	500	2,600	7,900
4/23/70	232,345	-0-	4,000	-0-	2,200	2,800	-0-	500	600	5,800
4/24/70	244,640	-0-	3,600	-0-	2,000	600	-0-	500	3,100	5,600
4/27/70	262,603	-0-	3,600	-0-	5,250	600	-0-	500	3,100	5,600
4/28/70	215,132	-0-	2,500	-0-	2,000	1,200	-0-	1,200	3,100	5,600
4/29/70	253,418	-0-	5,500	-0-	2,000	3,100	-0-	1,900	7,100	5,600
4/30/70	241,148	-0-	6,250	-0-	4,250	5,200	-0-	10,100	3,600	7,600
5/01/70	274,595	-0-	11,250	-0-	4,250	12,350	-0-	10,100	3,600	7,600
5/04/70	287,115	-0-	11,250	-0-	11,750	1,600	-0-	3,000	3,000	7,600
5/05/70	308,669	-0-	6,750	5,000	3,300	3,300	-0-	-0-	3,600	7,300
5/06/70	304,265	-0-	4,650	5,000	2,500	100	-0-	-0-	1,100	9,100
5/07/70	293,195	-0-	-0-	5,000	9,900	100	-0-	-0-	4,100	8,600
5/08/70	247,896	-0-	300	5,000	3,300	100	-0-	-0-	2,600	11,100
5/11/70	221,571	-0-	1,000	5,000	4,100	100	-0-	-0-	2,100	10,100
5/12/70	200,815	-0-	5,000	6,000	2,500	-0-	-0-	-0-	2,000	9,400
5/13/70	178,605	-0-	7,000	6,000	2,300	-0-	-0-	-0-	2,000	7,000
5/14/70	189,064	-0-	7,000	5,000	1,700	2,700	-0-	2,000	2,000	8,600
5/15/70	174,917	-0-	7,400	3,000	2,000	3,700	-0-	2,000	2,000	7,350
5/18/70	210,672	-0-	14,700	3,000	2,500	2,700	-0-	-0-	-0-	7,250
5/19/70	177,089	-0-	6,700	500	2,400	900	-0-	600	-0-	4,300
5/20/70	155,185	-0-	6,450	500	1,700	2,400	-0-	-0-	-0-	2,900
5/21/70	153,571	-0-	6,350	500	1,500	750	-0-	-0-	-0-	2,800
5/22/70	148,410	-0-	8,350	6,500	3,200	300	-0-	1,250	-0-	2,600
5/25/70	176,368	-0-	10,450	500	4,500	300	-0-	2,750	6,300	3,600
5/26/70	161,274	-0-	8,450	500	7,500	300	-0-	250	5,500	1,400
5/27/70	179,842	-0-	6,000	500	4,250	4,700	-0-	250	5,500	1,400

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5/28/70	193,729	-0-	5,000	-0-	10,100	1,200	-0-	1,200	2,500	2,550
5/29/70	168,247	-0-	5,700	-0-	6,250	700	-0-	250	2,500	2,550
6/01/70	167,946	-0-	8,700	-0-	8,100	4,700	-0-	-0-	2,500	2,650
6/02/70	177,862	-0-	9,675	-0-	8,575	200	-0-	2,500	1,000	2,100
6/03/70	192,878	-0-	9,175	-0-	6,350	4,400	-0-	2,500	1,000	7,100
6/04/70	166,956	-0-	6,700	-0-	5,350	100	1,000	1,500	1,000	6,900
6/05/70	178,632	-0-	6,700	2,000	6,450	10,650	2,000	5,600	1,000	5,700
6/08/70	186,358	-0-	7,200	2,000	2,000	2,600	1,000	1,600	1,000	5,700
6/09/70	176,073	-0-	6,700	2,000	1,500	100	1,500	1,600	1,000	5,200
6/10/70	202,673	-0-	7,200	-0-	1,950	5,800	2,000	-0-	4,000	7,400
6/11/70	215,968	-0-	8,325	-0-	1,700	5,300	1,000	-0-	4,000	6,100
6/12/70	195,618	-0-	7,500	400	2,500	3,850	-0-	-0-	4,000	6,100
6/15/70	227,515	-0-	10,250	-0-	3,150	2,700	4,700	-0-	4,000	6,350
6/16/70	181,435	-0-	9,250	-0-	1,600	1,300	100	-0-	4,000	4,250
6/17/70	167,970	-0-	12,250	-0-	2,100	2,300	100	-0-	3,500	4,350
6/18/70	181,450	-0-	11,000	-0-	3,200	2,700	500	-0-	3,500	4,350
6/19/70	185,095	-0-	4,000	-0-	1,400	1,300	100	-0-	3,500	4,350
6/22/70	184,095	-0-	3,700	-0-	1,500	800	100	-0-	3,500	6,250

D. Plaintiff's Memorandum in Opposition to Defendants' Motion Pursuant to Rules 52(b) and 59(a) Federal Rules of Civil Procedure

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

- X

FRANKLIN SAVINGS BANK OF NEW YORK, :

Plaintiff, :

-against- : 71 Civ. 882 (CMM)

GUSTAVE L. LEVY, GOLDMAN, SACHS & CO., et al., :

Defendants. :

- X

PLAINTIFF'S MEMORANDUM IN OPPOSITION TO DEFENDANTS' MOTION PURSUANT TO RULES 52(b) AND 59(a), FEDERAL RULES OF CIVIL PROCEDURE

The court's decision of December 27, 1975 represents a considered analysis of a voluminous record and the legal and factual issues presented. Nevertheless, the defendants have moved the court, under Rules 52(b) and 59(a), to amend its findings and direct judgment in their favor or, alternatively, to grant a new trial. The defendants have failed to present any law or any facts to justify such extraordinary relief.

Motions for a new trial under Rule 59 are regarded with disfavor. The burden upon the moving party is a substantial one. The additional evidence must be more than cumulative, must be material to the issues and must be sufficient to require reversal.

Irvin v. Buick Motor Company, 88 F.2d 947, 949, 951 (8 Cir. 1937); cert. denied 301 U.S. 702 (1936); reh. denied 302 U.S. 773 (1937).

International Bureau, Inc. v. Bethlehem Steel Co., 192 F.2d 304, 306 (2 Cir. 1951)

Pioneer Paper Stock Co. v. Miller Transport Co., 109 F. Supp. 502, 503-4 (D.N.J. 1953)

Ionian Shipping Company v. Tyson Shipping Co., 49 F.R.D. 334 (S.D.N.Y. 1969)

United States v. Perea, 458 F.2d 535 (10 Cir. 1972)

The purpose of a Rule 52 motion is to "clarify matters for the appellate court's better understanding of the basis of the decision...." A Rule 52 motion will not lie to obtain a reversal or a rehearing on the merits.

Matyas v. Feddish, 4 F.R.D. 385, 386 (M.D.Pa. 1945)

Heikkila v. Barber, 164 F. Supp. 587, 592 (N.D. Cal. 1958); app. dismissed 308 F.2d 558 (9 Cir. 1962)

Zeeman v. United States, 275 F. Supp. 235 255 (S.D.N.Y. 1967); aff'd in part and remanded on other grounds, 395 F.2d 861 (2 Cir. 1968)

Minneapolis-Honeywell Reg. Co. v. Midwestern Instruments, Inc., 188 F. Supp. 248, 254 (N.D. Ill. 1960); aff'd 298 F.2d 36 (7 Cir. 1961)

Erickson Tool Company v. Balas Collet Company, 277 F. Supp. 226, 234 (N.D. Ohio 1967), aff'd 404 F.2d 35 (6 Cir. 1968)

The defendants have raised two points. First, they contend that the basis for the court's finding of jurisdiction under the Securities Exchange Act of 1934 is wrongfully predicated upon incompetent proof concerning the National Credit Office (Point I). Second, the defendants challenge the court's finding concerning the motivation behind their inventory decisions (Point II). Defendants are wrong on both counts.

Point I

Jurisdiction Under the 1934 Act

The defendants' claim (p. 4) that the court's reference to the National Credit Office at page 12 of the court's opinion is "unclear" is belied by the very language of the opinion. At page 12 the court stated:

> "Goldman, Sachs relies on the prime rating given this paper by the National Credit Office in the exercise of its statutory function. The only trouble with Goldman, Sachs' position is that the rating organization appears to have continued the prime rating on February 5 in reliance on defendants' decision to continue to sell this paper despite adverse news as to the financial condition of Penn Central." (emphasis supplied)

The court was referring to the defendants' contentions at page 14 of their post-trial brief on jurisdiction where the defendants stated:

> "Of Prime Quality
>
> Similarly, it is undisputed that Penn Central commercial paper, at the time of the sale to Franklin, was rated 'prime' by N.C.O...."

In a statement hopelessly at odds with their prior position, the defendants now suggest that the jurisdictional question of "prime quality" should be answered "independently" of the rating assigned to Penn Central paper by NCO. This, however, is precisely the approach followed by the court in "evaluating the quality of this commercial paper...." (Opinion p. 12).

Under the topic "The Merits of this Litigation" the court discussed the multiple facts which led it to conclude

that the note bought by Franklin on March 16, 1970 could not be considered prime. (Opinion pp. 13, 14-19) These facts are as follows:

1. Penn Central sustained a loss of $13.2 million for the fourth quarter of 1969, a quarter which was supposed to show a profit. The news of this loss on February 4 was a "shock[ed]" to Goldman, Sachs and prompted "immediate action." (Opinion p. 15)

2. The railroad was budgeting for a loss of $56 million for 1970 which, when added to the $170 million of additional necessary financing, resulted in a total cash requirement of $226 million for that year. (Opinion p. 16) These cash requirements were "beyond those envisioned by ... knowledgeable people." (Opinion p. 16)

3. On February 5, Goldman, Sachs repeated its previous requests that Penn Central obtain 100% bank line coverage for its outstanding commercial paper of $200 million. (Opinion p. 16) Penn Central had only 50% bank line coverage as of February 5 and at no time thereafter did Penn Central increase its bank line coverage above 50%. (Lepley 982)

4. Goldman, Sachs, which in the past had purchased as much as $20 million or 10% of Penn Central's outstandings for its own inventory, took the extraordinary steps on February 5-9, 1970 of (a) requesting Penn Central to buy back its entire inventory position of $15 million; (b) selling two-thirds of that amount back to Penn Central, the transaction being financed by bank lines which Goldman, Sachs itself considered insufficient; (c) placing a $5 million limit on the amount that it would inventory thereafter; and (d) putting Penn Central on notice that in the near future it would sell the paper only under a special arrangement whereby Goldman, Sachs would not inventory any of the paper. (Opinion pp. 16-19; Exhibits F-2, F-3, F-4 and F-5)

5. On February 5 Brown Brothers Harriman & Co., which had previously purchased as much as 15% of Penn Central's total outstandings, stopped buying Penn Central paper. (Opinion pp. 19-20) Brown Brothers' action like Goldman,

> Sachs', meant that Penn Central had lost a sizable source of cash at a time when it was depending solely on roll-overs to meet maturities. (Opinion pp. 11, 19 and 20)

The court's discussion of the foregoing facts makes no mention of NCO. Thus, as the defendants appear to recognize at page 11 of their memorandum, the court's reference to NCO was "gratuitous" to the issue of jurisdiction, except to rebut the defendants' own argument.

Since the court did not rely on NCO's continuation of the Prime rating in finding that Franklin's paper was not of prime quality, the jurisdictional result would not be changed by receipt of testimony by Vogel and Wilson and the SEC deposition of Rogers. The defendants, therefore, are not entitled to relief under Rule 59. NCO's continuation of the Prime rating likewise played no role in the court's determination on the merits. Thus, any testimony considering NCO would not serve to amplify any facts pertaining to either the jurisdictional issue or the merits. Since these are the only issues which will be before the appellate court, the defendants are not entitled to relief under Rule 52.

In any event, the defendants have shown no justification for the additional proof which they now seek to offer. Vogel, on direct examination, testified concerning Mr. Rogers' reputation and ability. (Vogel 682-84) Levy testified on direct examination concerning his understanding of the Vogel-Rogers telephone conversation as summarized in the

blue sheet of February 6, Exhibit F-3. (Levy 801-3) Thus, Goldman, Sachs did "protect the record" (p. 7) and any further testimony by Vogel or Wilson on this subject would be cumulative. To the extent that defendants failed to "protect the record", this was due (1) to Vogel's insistence, on both direct and cross-examination, that his sole recollection of his telephone conversation with Rogers on February 5 was limited to what he had recorded in the blue sheet of that date (Vogel 684-6, 755) and (2) to defendants' failure to elicit the testimony defendants would now offer concerning what Vogel "meant" or "intended to convey" (Defendants' Ex. A, pp. 540-1) by his summary of that conversation included in the blue sheet.* Finally, defendants' statement that they were "considering" (p. 9) offering Mr. Rogers' SEC testimony strains credulity. No part of Rogers' SEC testimony was designated in either of the pre-trial orders entered in this case and, as confirmed by the colloquy at page 1291 of the trial transcript, this failure can scarcely be attributed to inadvertance or oversight.

Point II

The Defendants' Inventory Decisions

The defendants contend that the court's finding that Goldman, Sachs "just did not have faith in this paper any

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* As would appear from Judge Lasker's reaction to it, the probative value of the proffered testimony would be dubious. (Defendants' Ex. A, p. 541) Cf. the court's reaction to similar testimony by Mr. Levy at pages 802-3.

more and was lightening its load and reducing its exposure" is not supported by the record (Defendants' memorandum pp. 12, 21) and that the court improperly rejected the defendants' technical explanations for their inventory decisions. (Opinion pp. 18-19)

The record abundantly supports the court's findings as to the defendants' motives and its rejection of the defendants' explanations for their extraordinary inventory decisions. The most telling proof of the defendants' motivation lies in their own contemporaneous blue sheets, F-2, F-3, F-4 and F-5. These memoranda recount the surprise losses for the 1969 fourth quarter; the conferences which swiftly followed; O'Herron's statement concerning Penn Central's "very tight" cash position; Penn Central's projected losses and huge cash requirements; its continued failure to obtain full bank line coverage which Goldman, Sachs had been urging for months and the run-off which the defendants feared. These facts can hardly be characterized as "discrete" (p. 2), i.e., separate and unrelated, since a reading of these blue sheets demonstrates that Goldman, Sachs regarded them as inextricably related. Wilson's blue sheet concerning his conversation with O'Herron on March 23 could scarcely be more damning:

> "Regarding the amount of Penn Central Transportation's c/p GS&Co. was prepared to inventory at any one time, his recollection of the February 6th luncheon was that no decision had been reached and that both the $5MM and $10MM figures were still under consideration. I told him that was not my

> understanding and that, in fact, GS&Co. felt that a $5MM ceiling was appropriate until such time as they obtained 100% line coverage, completed some of these long-term financings, and started to reduce the operating losses." (F-5, Transcript 15-16)

The obvious reasons for their inventory decisions was, as Mr. Bock concluded and as the court found, the defendants' desire to reduce their own exposure. (Opinion p. 19; Bock 142-48; Doty 599-600) The defendants' explanations were properly rejected. The blue sheets contain no reference to "negative inventory carry." (Exhibits, F-2, F-3, F-4 and F-5) The 1970 report on the commercial paper department, (F-56), upon which the defendants relied heavily was vigorously opposed within the firm and none of it was adopted prior to June 21, 1970. (Levy 835-37; Doty 594-98)

In addition to claiming no support in the record for the court's inventory decisions, the defendants also suggest that the court's decision would have been different if the court had received further proof with regard to three matters: (a) Brown Brothers' removal of Penn Central's paper from its approved list on February 5, 1970; (b) other "buy-back" transactions; and (c) the handling of Mr. Annenberg's Penn Central stock and a block trade of Penn Central stock on May 27, 1970 some two months after Franklin's purchase. There is no merit in any of these contentions.

(a) Brown Brothers Harriman & Co.

Defendants' suggestion to the contrary (p. 3), the court made no finding as to the reason for Brown Brothers' removal of Penn Central commercial paper from its approved list on February 5. (Opinion pp. 19-20) There was no need for the court to make any such finding since it was the fact that Brown Brothers had stopped buying Penn Central paper, not its reason for doing so, that was so significant. The significance lay in the substantial source of cash which Brown Brothers' prior purchases had represented for Penn Central - $30 million of $200 million outstandings. (Opinion pp. 19-20; Exhibits F-3 and F-4; Wilson 1172-73; Transcript 1275-76) When coupled with Goldman, Sachs' decisions of February 5-6, to reduce, limit and ultimately eliminate its own inventory, which had previously ranged as high as $20 million (Opinion p. 17), the loss of cash was potentially as much as $50 million. (Wilson 1172-73, 1184-85)

Certainly the significance of the action taken by both Brown Brothers and Goldman, Sachs was appreciated by Penn Central which requested (1) that a meeting with Brown Brothers (without even knowing the firm's identity) be arranged for the purpose of persuading them to reconsider (Wilson 1173-74; Exhibits F-3 and F-4) and (2) that Goldman, Sachs reconsider at the highest level the proposed tap issue inventory procedure. (Wilson 1183-85; Exhibit F-2) Nor, was it lost on Goldman, Sachs which fully documented these developments in their blue sheets. (Exhibits F-2, F-3 and

F-4) The defendants do not challenge the court's conclusion that if the action taken by Goldman, Sachs and Brown Brothers had been disclosed, the run-off which the defendants admittedly feared would have occurred much earlier than it actually did. (Opinion pp. 19-20; Bock 142-48, 151-59)*

The defendants also argue that the court would have disregarded Brown Brothers' action completely if the defendants had submitted evidence to the effect that comparable firms add and remove names from their so-called approved lists for reasons unrelated to creditworthiness. As previously stated, whether Brother Brothers stopped purchasing Penn Central paper because of its opinion concerning the creditworthiness of Penn Central or for other reasons is irrelevant. It should be noted, however, that both Van Cleave and Wilson testified on direct examination about arbitrary standards employed by some commercial paper investors. (Van Cleave 452-53; Wilson 1088-89)

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* In a footnote at page 17 the defendants suggest that "it might be argued" that the removal of Penn Central from Brown Brothers' approved list was significant because it affected Goldman, Sachs' inventory decision to reduce inventory, but then go on to say that there is no proof that Goldman, Sachs' "initial request" that Penn Central buy back its inventory occurred after receipt of the information concerning Brown Brothers. Both of these developments occurred on February 5. However, there is uncontradicted proof that Goldman, Sachs imposed the $5 million inventory ceiling after the Brown Brothers' action; namely, on the following day, February 6. (Exhibit F-3; Wilson 1171-72)

Similarly, there is no significance in the defendants' contention concerning bank lines of credit. The "answering evidence" which the defendants "would have offered" (p. 15) was in fact received. (See Exhibit BY and Lepley at 949-50) The $2 million share which Brown Brothers had ir the $100 million bank lines supporting 50% of Penn Central's commercial paper was brought to Mr. Bock's attention on both his direct and cross-examination concerning Brown Brothers and had no effect on his testimony. (Bock 153-55, 158, 292-93, 298-300; Exhibit F-21) Exhibit F-21, a Goldman, Sachs' memorandum of August 7, 1968, shows that the Brown Brothers' line was intended to stand until 1973 and that in honoring its commitment on or about April 30, 1970 Brown Brothers was simply keeping its word. (Transcript 153-54, 158, 299)

The subject of Brown Brothers' bank line was not abandoned by the defendants after the court had indicated it would give no weight to Brown Brothers' decision to remove Penn Central from its approved list. Lepley testified on direct examination that Brown Brothers made good on its $2 million commitment when called upon on or about April 30, 1970 (Lepley 949-50) and that by May 11, 1970, 72 out of 74 banks had "honored their commitments." (Lepley 1950-51, 984-88) These 72 banks had extended 96.5 of the $100 million in available bank lines. (id.) Ignoring this proof, the defendants contend (p. 15) that the "undisputed evidence" is

that bank lines are 'cancellable" if the lender is dissatisfied with the financial condition of the borrower. The defendants overlook not only Van Cleave's testimony, in response to questions put by the court at pages 421-22 that, in absence of fraud, bank lines are generally honored, as well as Bevan's testimony that Penn Central's bank lines were contractual, "confirmed lines" for which the railroad paid an interest charge. (Bevan deposition pp. 51-52; cf. Doty 559)

The response of Brown Brothers' and 71 other banks can scarcely be attributed to their being "satisfied" with the railroad's financial condition. As Lepley testified, the run-off (which commenced with the publication of the first quarter losses on April 23) had already begun and was in full swing when these banks were called upon. (Lepley 949-51, 984-990, 999-1003; Wilson 1153, 1211-14) Moreover, these banks were no longer buying Penn Central commercial paper for themselves or their customers after the publication of those losses. (Lepley 999-1001) Like Brown Brothers, these banks were keeping their word. (See plaintiff's reply memorandum at pages 21-22.)

(b) Inventory Buy-Backs

In rejecting the defendants' "negative inventory carry" contention, the court stated that it "appeared" that only in the case of Penn Central had Goldman, Sachs required an issuer to buy back a substantial portion of its inventory and limited the amount it would carry in the future. (Opinion p. 18) The defendants now draw attention to other instances

of commercial paper buy backs. Only two have been documented. Both were called to the court's attention during the trial and discussed at pages 11 and 31 of the plaintiff's initial post-trial memorandum and at page 31 of the plaintiff's reply memorandum. The first involved a finance company, Avco Delta and the second, Penn Central itself. Upon analysis, neither detracts from the extraordinary nature of the $10 million buy back, the $5 million ceiling and the abandonment of inventory in favor of a "tap" issue sales procedure, all taken with respect to Penn Central.

The Avco Delta blue sheets (Exhibits EV and EW), produced long after completion of pre-trial discovery (Pre-trial order p. 119), apparently represent the only other instance where Goldman, Sachs required an issuer to buy back a substantial portion of its inventory and placed a limit on the amount it would inventory in the future. As in the case of Penn Central, Goldman, Sachs' took this action because of concern about the company's affairs and its apparent lack of full bank line coverage. (Exhibits EV, EW, F-2, F-3, F-4 and F-5)

The $16 million buy-back which occurred on December 23, 1969 (mentioned at pp. 33 and 125 of the defendants' post-trial memorandum), cannot be compared with the $10 million buy back of February 9. Notwithstanding Goldman, Sachs' apparent apprehension on December 9 of a possible run-off (Van Cleave 452-53), the buy back of December 23 was strictly a temporary measure, a point which Lepley impressed upon Goldman, Sachs when he consented to the transaction. (Lepley 932-34, 990-94)

(c) "Badge of Innocent Good Faith"

During the course of their direct examination of Mr. Levy, the defendants attempted to elicit testimony and introduce documents concerning the handling of Mr. Annenberg's common stock in the railroad's parent company and Goldman, Sachs' purchase of a block trading position in such common stock on May 27, 1970, some two months after Franklin's purchase on March 16. (Levy 806-13) Throughout the trial the defendants had consistently objected to post-March 16 evidence even to the extent of opposing the reception of the reorganization petition. (Transcript pp. 320, 321-22 and 811-12) In view of the peripheral nature of these post-March 16 transactions, there was no error in their exclusion.

Conclusion

The defendants' motion for judgment or a new trial should be denied.

The opinion should be amended so as to delete the final sentence of the first paragraph on page 21, as requested in the plaintiff's letter of December 31, 1975.

Dated: New York, New York
February 2, 1976

Respectfully submitted,

Thacher, Proffitt & Wood

Attorneys for Plaintiff

Robert S. Stitt,
George W. Taliaferro, Jr.
Of Counsel.

E. Order of Honorable Charles M. Metzner, entered March 8, 1976, denying Defendants' Motion Pursuant to Rule 52(b) and 59(a), Federal Rules of Civil Procedure.

71 CIVIL ACTION NO. 882 (CHM)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF
NEW YORK

FRANKLIN SAVINGS BANK OF NEW YORK,

Plaintiff,

-against-

GUSTAVE L. LEVY, et al.,

Defendants.

MOTION TO AMEND JUDGMENT

SULLIVAN & CROMWELL
48 WALL STREET, NEW YORK, N. Y. 10005
(212) 952-8100
ATTORNEYS FOR
Defendants

MICROFILM

File 95-

March 6, 1976 - After reviewing the record and the papers submitted on the motion, the motion is denied.

So ordered

Charles H. Tenney

USDJ

COPY RECEIVED
AUG 18 1976
THACHER, PROFFITT & WOOD

5:00 PM
RBK

7178

MONEY MARKET RATES FOR THE PERIOD OF JANUARY 4, 1969 THROUGH APRIL 4, 1970

As of Week ending	1 Paper Placed Thru Dealers (a)	2	3	4	5	6	7	8	9	10	11	12	13	13	14	15
	PAPER PLACED DIRECTLY (b)								Federal Funds (c)	Prime Rate (d)	Treasury Bills Market Yield			Large CD's (f)		CD 3-Months Secondary Market (g)
	4-6 Months	30-59 days	60-89 days	90-119 days	120-149 days	150-179 days	180-239 days	240-270 days			3 Month	6 Month	9-12 Months (e)	9-12 Months (e)	(In Millions of $)	
1969 Jan 4	6 5/8	6 3/8	6 1/4	6	6	6	6	6	5.95	6 3/4	6.15	6.32	6.24	6.24	22,820	N/A
11	6 5/8	6 3/8	6 3/8	6 1/8	6 1/8	6 1/8	6 1/8	6 1/8	6.43	7	6.17	6.35	6.11	6.11	22,374	N/A
18	6 1/2	6 3/8	6 3/8	6 1/8	6 1/8	6 1/8	6 1/8	6 1/8	6.36	7	6.10	6.26	5.95	5.95	21,787	N/A
25	6 1/2	6 3/8	6 1/8	6 1/8	6 1/8	6 1/8	6 1/8	6 1/8	6.46	7	6.10	6.25	6.05	6.05	21,345	N/A
Feb 1	6 1/2	6 1/4	6 1/4	6 1/4	6 1/4	6 1/4	6 1/8	6 1/8	6.27	7	6.16	6.27	6.07	6.07	21,031	N/A
8	6 1/2	6 1/4	6 1/4	6 1/4	6 1/4	6 1/4	6 1/8	6 1/8	6.32	7	6.19	6.34	6.19	6.19	20,603	N/A
15	6 1/2	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	6 1/4	6 1/4	6.75	7	6.09	6.28	6.14	6.14	20,484	N/A
22	6 3/4	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	6 1/4	6 1/4	6.75	7	6.08	6.26	6.18	6.18	20,126	N/A
Mar 1	6 3/4	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	6 1/4	6 1/4	6.61	7	6.10	6.30	6.26	6.26	19,968	N/A
8	6 3/4	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	6 1/4	6 1/4	6.75	7	6.11	6.27	6.30	6.30	19,592	6.60
15	6 3/4	6 1/2	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	6.75	7	6.01	6.16	6.19	6.19	19,395	6.58
22	6 7/8	6 5/8	6 1/2	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	6.82	7 1/2	6.00	6.16	6.17	6.17	18,809	6.64
29	6 7/8	6 1/2	6 1/2	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	6.87	7 1/2	5.94	6.06	6.10	6.10	18,792	6.65
Apr 5	6 7/8	6 1/2	6 1/2	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	6.66	7 1/2	6.04	6.10	6.14	6.14	18,626	6.69
12	7	6 3/4	6 1/2	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	7.04	7 1/2	6.15	6.16	6.09	6.09	18,494	6.75
19	7 1/8	6 3/4	6 1/2	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	7.63	7 1/2	6.19	6.20	6.03	6.03	17,999	6.89
26	7 1/8	6 3/4	6 1/2	6 3/8	6 3/8	6 3/8	6 3/8	6 3/8	7.48	7 1/2	6.13	6.13	5.98	5.98	17,999	6.92
May 3	7 1/4	6 7/8	6 7/8	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	7.78	7 1/2	5.93	6.03	5.96	5.96	17,622	7.03
10	7 1/4	6 7/8	6 7/8	6 1/2	6 1/2	6 1/2	6 3/8	6 3/8	8.23	7 1/2	5.97	6.07	6.05	6.05	17,495	7.17
17	7 3/8	6 3/4	6 7/8	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	8.30	7 1/2	6.07	6.19	6.13	6.13	17,408	7.40
24	7 3/8	7	6 7/8	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	8.91	7 1/2	6.05	6.12	6.08	6.08	17,138	7.48
31	7 1/2	7	6 7/8	6 7/8	6 7/8	6 7/8	6 7/8	6 7/8	8.92	7 1/2	6.10	6.28	6.19	6.19	16,973	7.47
June 7	7 3/4	7 1/4	7	7	7	7	7	7	9.20	7 1/2	6.25	6.58	6.61	6.61	16,623	7.70
14	8 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	9.13	8 1/2	6.65	6.88	6.89	6.89	16,275	8.23
21	8 1/2	8	7 1/2	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	8.54	8 1/2	6.57	6.70	6.77	6.77	15,533	8.23
28	8 5/8	8	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	8.34	8 1/2	6.29	6.84	7.09	7.09	15,274	8.34
[illegible]	8 3/4	8	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	9.00	8 1/2	6.58	6.94	7.33	7.33	14,746	8.66
2	8 3/4	8 3/8	7 1/2	7 1/2	7 1/2	7 1/2	7 3/4	7 3/4	9.07	8 1/2	6.94	7.19	7.08	7.08	14,371	8.86
19	8 5/8	8 3/8	7 1/2	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	9.23	8 1/2	7.00	7.34	7.08	7.08	13,903	8.81
26	8 1/2	8 3/8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	8.50	8 1/2	7.10	7.32	7.13	7.13	13,695	8.75
Aug 2	8 3/8	8 1/4	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	8.05	8 1/2	7.08	7.19	7.16	7.16	13,538	8.56
9	8 3/8	8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	9.57	8 1/2	6.98	7.11	7.29	7.29	13,279	8.45
16	8 3/8	8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	9.18	8 1/2	6.99	7.25	7.32	7.32	13,149	8.46
23	8 1/4	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	8.79	8 1/2	6.86	7.15	7.17	7.17	12,846	8.33
30	8 1/4	7 1/2	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	8.82	8 1/2	7.06	7.27	7.30	7.30	12,610	8.35
Sept.6	8 3/8	7 1/2	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	9.57	8 1/2	7.02	7.24	7.34	7.34	12,268	8.30
13	8 1/2	7 1/2	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	8.57	8 1/2	7.10	7.30	7.34	7.34	12,073	8.40
20	8 1/2	7 1/2	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	9.07	8 1/2	7.12	7.34	7.33	7.33	11,815	8.71
27	8 5/8	7 1/2	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	9.61	8 1/2	7.10	7.31	7.37	7.37	11,747	8.63
Oct. 4	8 7/8	7 1/2	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	9.11	8 1/2	7.02	7.31	7.41	7.41	11,714	8.66
11	8 5/8	8	7 5/8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	9.43	8 1/2	6.98	7.33	7.34	7.34	11,661	8.70
18	8 5/8	8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	9.68	8 1/2	7.01	7.30	7.25	7.25	11,561	8.70
25	8 1/2	8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	8.68	8 1/2	7.24	7.24	7.04	7.04	11,398	8.56

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MONEY MARKET RATES FOR THE PERIOD OF JANUARY 4, 1969 THROUGH APRIL 4, 1970

As of Week ending	1 Paper Placed Thru Dealers (a)	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		PAPER PLACED DIRECTLY (b)									Treasury Bills Market Yield				
	4-6 Months	30-59 days	60-89 days	90-119 days	120-149 days	150-179 days	180-239 days	240-270 days	Federal Funds (c)	Prime Rate (d)	3 Month	6 Month	9-12 Months (e)	Large CD's (f) (In Millions of $)	CD 3-Months Secondary Market (g)
1969 Nov 1	8 1/8	8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	8.39	8 1/2	7.00	7.26	7.12	11,524	8.36
8	8 3/8	8	8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	9.07	8 1/2	7.07	7.38	7.06	11,465	8.36
15	8 1/2	8	8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	9.32	8 1/2	7.14	7.45	7.15	11,449	8.39
22	8 5/8	8	8	8	8	8	8	8	8.79	8 1/2	7.24	7.74	7.50	11,402	8.58
29	8 5/8	8	8	8	8	8	8	8	8.32	8 1/2	7.49	7.90	7.77	11,319	8.69
Dec 6	8 5/8	8	8	8	8	8	8	8	8.91	8 1/2	7.60	7.83	7.55	11,159	8.70
13	8 7/8	8 1/2	8	8	8	8	8	8	8.75	8 1/2	7.81	7.92	7.61	11,191	8.67
20	9	8 1/2	8	8	8	8	8	8	9.14	8 1/2	7.88	7.89	7.61	11,148	8.66
27	9	8 1/2	8	8	8	8	8	8	9.18	8 1/2	7.82	7.82	7.67	11,056	8.81
1970 Jan 3	9	8 1/2	8	8	8	8	8	8	8.71	8 1/2	8.02	8.03	7.75	10,785	8.97
10	8 7/8	8 1/2	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8.45	8 1/2	7.91	7.93	7.58	10,570	8.93
17	8 3/4	8 1/2	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8.96	8 1/2	7.82	7.64	7.47	10,467	8.87
24	8 5/8	8 1/2	8 1/4	8 1/8	8 1/8	8 1/8	8 1/8	8 1/8	9.30	8 1/2	7.83	7.70	7.43	10,469	8.89
31	8 1/2	8 1/4	8 1/4	8 1/8	8 1/8	8 1/8	8	8	9.04	8 1/2	7.89	7.80	7.52	10,298	8.82
Feb 7	8 5/8	8 1/4	8 1/4	8	8	8	8	8	9.21	8 1/2	7.61	7.62	7.37	10,496	8.68
14	8 5/8	8 1/4	8 1/4	8	8	8	8	8	9.18	8 1/2	7.20	7.30	7.12	10,635	8.48
21	8 1/2	8 1/4	8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	9.39	8 1/2	6.80	7.02	6.90	10,857	8.35
28	8 1/2	8 1/4	8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	8.41	8 1/2	6.87	6.95	6.84	11,011	8.44
Mar 7	8 1/2	8 1/4	8	7 3/4	7 3/4	7 3/4	7 3/4	7 3/4	8.32	8 1/2	6.89	6.80	6.64	11,170	8.41
14	8 1/2	8 1/4	7 3/4	7 5/8	7 5/8	7 5/8	7 5/8	7 5/8	7.71	8 1/2	6.76	6.68	6.55	11,352	8.32
21	8 1/4	7 3/4	7 3/4	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7.82	8 1/2	6.71	6.60	6.57	11,820	8.10
28	8	7 3/8	7 3/8	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7.45	8	6.16	6.26	6.32	12,237	7.59
Apr 4	8 1/8	7 3/8	7 3/8	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7.93	8	6.35	6.42	6.36	12,499	7.21

SOURCE: Columns 1 thru 14 - Federal Reserve Bulletin, Volume 55, Numbers 1-12 (January 1969-December 1969) and Volume 56, Numbers 1-4 (January 1970-April 1970)

Column 15 - Weekly Statistical Release (H-9 Release), Federal Reserve Bank of New York

NOTE: All columns show rates on a percent per annum basis, except Column 14 which is in dollar amounts outstanding.

FOOTNOTES:

(a) Averages of Daily Offering Rates as Reported to the Federal Reserve by two Dealers (identies not disclosed, but one of them, in fact, is Goldman, Sachs & Co.)

(b) Averages of Daily Rates. Changes are listed whenever 3 of 5 Companies which report rates announce the same rate.

(c) The Seven-Day Average Rate for week ending Wednesday.

(d) As reported in Footnotes to Tables of Bank Rates in Federal Reserve Bulletins of January 1969-July 1969. Thereafter, as reported in Prime Rate Tables of Federal Reserve Bulletins.

(e) Average Market Yield on U.S. Government 9 to 12 Month Bills. Averages of Daily Closing Bid Prices, quoted on a Bank Discount Rate Basis, are used for the yields shown in Columns 11, 12, and 13.

(f) Total CD's Issued by Large Commercial Banks, as Reported by the Federal Reserve Bulletin, in Denominations of $100,000 or more. Maximum Rates that could be Paid by Member Banks Under Regulation Q Provisions were as follows:

As of Week ending	30-59 Days	60-89 Days	90-170 Days	180 to 1 yr.	1 yr.& Over
1969 Jan. 4	5.50	5.75	6.00	6.25	6.25
1970 Jan. 24	6.25	6.50	6.75	7.00	7.00

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